

The NATIONAL UNDERWRITER



Get more for your money—and *sound* protection—through an *over-all* insurance program. See your local agent or broker.

... Theme of Great American's advertising, in *The Saturday Evening POST* and *NEWSWEEK*, which stresses the benefits of buying insurance through local independent agents and brokers.

Great American GROUP OF Insurance Companies

FIRE • MARINE • CASUALTY • SURETY

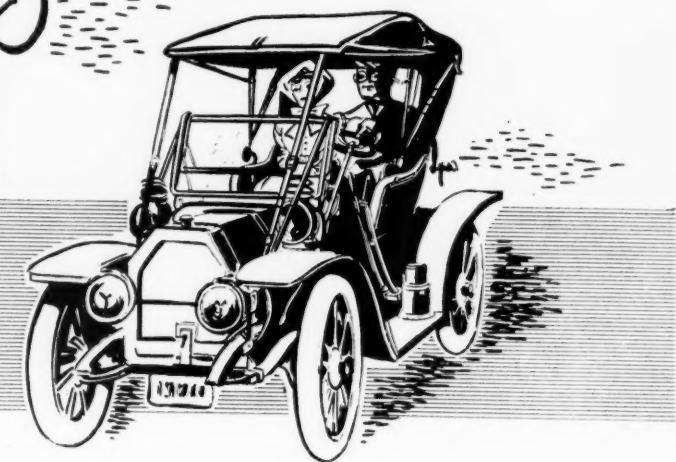
GREAT AMERICAN • GREAT AMERICAN INDEMNITY
AMERICAN NATIONAL FIRE • DETROIT FIRE & MARINE • MASSACHUSETTS FIRE & MARINE
ROCHESTER AMERICAN

17,000 LOCAL AGENTS • WORLD-WIDE FACILITIES

THURSDAY, AUGUST 25, 1955

38

YEARS
of constant improvement in
**PLATE GLASS
REPLACEMENT
SERVICE**



Thirty-eight years isn't a long time as companies go. But that many years devoted to better service in the plate glass replacement field is a record we are proud of. And . . . we haven't been satisfied with doing a job, we have consistently striven to better our facilities, equipment and personnel. This constant

improvement in service adds up to a satisfied client . . . and a satisfied client means an easier job of coverage renewal for you. Specify AMERICAN for your next glass replacement call . . . get acquainted with us . . . you'll be happier for it, and so will your assured!

Phone MOhawk 4-1100

Members of the
Chicago Association
of commerce

Normand Beris, President

Members of the
Chicago Better
Business Bureau

American Glass Company
1030-42 NORTH BRANCH STREET • CHICAGO

"Recognition Merited by Our Service"

THE NATIONAL UNDERWRITER. Published weekly by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 59th year, No. 34, Thursday August 25, 1955. \$7 per year (3 years, \$18); Canada, \$8 per year (3 years, \$21); Foreign, \$8.50 per year (3 years, \$22.50). 30 cents per copy. Entered as second-class matter April 25, 1931 at the post office at Chicago, Ill., under Act of March 31, 1879.

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

59th Year, No. 34
August 25, 1955

Don't Borrow Direct Writers' Tools, Sell the Agent: McKown

Tells S. D. Agents the Disadvantages of Continuous Policies

Agents who feel they must take on the implements of their competition as a means of salvaging their auto and dwelling business are listening to a siren song that can only lead to their own destruction, Dave R. McKown, Oklahoma City, member of the NAIA executive committee, declared in his talk at the annual convention of the South Dakota agents this week at Rapid City. He warned agents that "adoption of continuous policies and direct billing as a means of reducing expenses to meet the price competition from direct-writers would result in the ultimate destruction of the American agency system."

Mr. McKown voiced opposition to continuous policies because, "First, their general use would tend to reduce the importance of the agent in the insurance transaction and would tend to eliminate useful services presently performed by the agent. Reducing service to the insured is no way to meet stern competition. It is a matter of history that one southern commissioner ruled that continuous policies are a danger to the public and denied their use in his jurisdiction."

Even under the present system with periodic renewals and reviews there is still considerable under-insurance, but under a continuous policy system this under-insurance would tend to be perpetuated due to lack of periodic reviews, he said. He also held that advancement in insurance forms and coverages would almost certainly be stultified, if not stopped, by the general use of continuous policies.

"The use of continuous policies would also tend to freeze the business in the hands of the company or companies first writing them," he said, "and this would inevitably curtail, if not kill, desirable competition."

When a policy expires now and before further insurance is obtained, a period of stock-taking is granted to all three parties concerned—the company, the agent and the insured, Mr. McKown said. The company may or may not wish to renew; the agent may want to change the policy or coverage in some way, or change the company he places it with; and the insured may have various offers he wishes to consider in connection with his renewal. This is open competition and a continuous policy system would stifle such competition and therefore is not in the public interest.

The use of these forms is not a necessary portion of any plan to meet direct-writer and specialty company competition, Mr. McKown told the agents. "Since the local agent now writes the policies, records that fact

Laughlin to Head South Dakota Agents

RAPID CITY, S. D.—Attended by about 200 persons, South Dakota Assn. of Insurance Agents elected John Laughlin of Rapid City president at the annual meeting Aug. 21-22 to succeed E. W. Schmidt of Aberdeen. A well-balanced card of business and social activities provided a full two days of activities. Many of those attending combined business with pleasure and arranged vacations before or after the meeting in the scenic Black Hills.

Other officers elected are: Vice-president, Donald Davis, Sioux Falls, and secretary-treasurer, Rio Wangness, Garretson. Herbert Thrall, Huron, was named state national director and members of the executive committee are Glenn S. Pommer, Clark; Donald Barnett, Sioux Falls; William Assman, Winner; L. F. Schollmeier, Gettysburg, and Alan Coburn, Deadwood. Arthur S. Avery, Huron, was reelected executive secretary.

The welcome was given by Mayor Don L'Esperance and the response by Mr. Laughlin. At the luncheon, sponsored by the E. W. Smith general agency, Commissioner Burt was the speaker. That afternoon Roy L. Davis, midwest manager Assn. of Casualty & Surety Cos. at Chicago, spoke on "Our Common Problems." There were also various committee reports and election of officers. The buffet dinner was sponsored by Western Surety.

The second day began with an early bird's "gripe session" breakfast. Beginning the formal morning session was a talk on inland marine by John Gattorna of Great American, Chicago. There was also a sales presentation, "Sell the Whole Umbrella," courtesy American Ins. Co. At the luncheon, sponsored by Regan general agency, the speaker was C. E. McLaughlin, manager Fire Underwriters Inspection Bureau, Sioux Falls. A luncheon for the ladies was sponsored by W. N. Van Camp Co.

In the afternoon D. R. McKown, Oklahoma City, NAIA executive committee member, spoke on the National association. Cocktail party hosts that evening were field men traveling South Dakota.

Says A&H Business May Soon Go Under FTC Jurisdiction

WASHINGTON—There is a strong possibility that the A&H insurance business may shortly find itself under the jurisdiction of federal trade commission, Federation of Insurance Counsel was told at its annual meeting here by Ralph E. Becker, Washington attorney.

To him the possibility of the courts ruling against FTC's jurisdiction seems remote. He suggested that business wide self-policing is in order and perhaps this can best be done through a trade practice conference, perhaps otherwise. In any event, regulation is bound to come. The principal contentions made by the insurance companies are that federal trade commission lacks jurisdiction of the subject matter, and that the challenged advertisements are not false and misleading.

Since Paul vs Virginia in 1869, it was generally assumed that the federal government had no power to regulate insurance. The assumption was not unwarranted since the Supreme Court had repeatedly described the power of the state to regulate insurance in extremely broad terms. The weakness of this authority, however, lay in the fact that each of these cases dealt with the power of the state to tax or regulate the insurance business, and not the power of Congress under the commerce clause.

The sense of security thus inspired by Paul vs Virginia and its progeny should, therefore, have been suspect, he said. Unfortunately, it was not, and the business continued on its merry way until the South-Eastern Underwriters Assn. case cruelly blasted the illusion.

That case specifically held that the insurance business was subject to the anti-trust laws of the U. S. This necessarily meant that insurance was commerce and that, when conducted across state lines, it became interstate commerce.

Mr. Becker said the position taken by the Supreme Court was unequivocal—insurance was commerce subject to regulation by Congress under the commerce clause. Congress took

(CONTINUED ON PAGE 27)

First Six Months Results Shown

	June 30	Increase or Decrease in	Premiums	
			Written	Written
	\$	Surplus	First Six	First Six
Allstate*	305,584,815	70,181,654	14,518,023	131,862,384
American Casualty	56,073,488	16,212,119	1,929,814	14,670,828
American Home Assur.	39,534,678	19,237,133	965,231	6,209,115
Calvert Fire	64,811,300	25,551,273	2,621,045	8,671,643
Camden Fire Assn.	39,442,875	16,975,122	702,199	8,888,514
Cosmopolitan Mutual Casualty	18,109,824	4,580,766	393,426	5,564,144
Federal	147,845,770	83,264,771	5,878,704	24,698,444
Fire Association	89,662,700	44,484,969	3,334,940	17,716,230
Fireman's Fund Indemnity	51,374,924	19,747,505	1,105,115	15,477,341
Fireman's Fund	320,956,505	159,376,389	6,124,755	59,019,561
Hartford Steam Boiler	60,568,289	26,912,237	4,104,214	7,987,164
Home Fire & Marine	58,309,420	26,612,301	1,569,661	12,647,049
London Guarantee & Accident	38,063,026	13,425,754	890,180	10,888,723
Mercants Fire Assur.	63,470,584	39,561,370	3,585,045	9,228,622
Mutual Boiler & Machinery	13,617,615	5,269,799	317,873	6,229,218
National Union Fire	69,755,293	29,744,623	1,626,557	14,566,132
New York Underwriters	29,441,093	9,530,925	488,989	2,887,572
North American Casualty & Surety	63,367,472	17,751,057	1,588,427	15,330,570
Northern	52,644,312	23,100,202	2,383,264	13,067,572
Pacific Employers	28,069,817	6,330,760	193,304	9,643,770

*Premiums are direct premiums written.

New England Flood Loss Greatest in Region's History

Big Losses to Floater Insured, Autos, Tobacco; Fires Follow Floods

Hurricane Diane, which didn't do enough damage to North Carolina, where it passed out, to classify as a National Board catastrophe—\$1 million—produced sudden torrents of rain in the northeast states that wreaked the greatest flood loss to life and property in the history of the region. The entire state of Connecticut and portions of Massachusetts, Rhode Island, New York, Pennsylvania and New Jersey have been declared disaster areas and by midweek certain spots like Stroudsburg in Pennsylvania and towns in the Naugatuck Valley in Connecticut, including Naugatuck itself, were still inaccessible to civilians such as adjusters. One report stated that there wasn't an agency record left in the Naugatuck Valley communities; they had all been soaked or washed away.

Thus it was impossible by midweek to secure much of an estimate of the insurance loss from the floods and it may be another week before the extent of the liabilities begin to appear. However, preliminary assessment of the situation by automobile and marine insurers indicates that the total insurance loss will be quite substantial, probably a good deal more than the \$10 million total estimated for Hurricane Connie, and possibly more than \$25 million.

Most of the dollar damage will come from commercial floaters, particularly those on processing plants, of which there are many in the areas hit by the floods; equipment and other dealers floaters, etc. The automobile losses may run \$2 million, and there will be lesser liabilities from the personal property floater. Not enough homeowners C has been placed to create any appreciable liability.

Other major sources of loss are fire, perhaps \$10 million, and tobacco in the Connecticut Valley with this season's crop badly damaged in fields and barns.

One insurer reported a processing plant in Pennsylvania with 25,000 to 50,000 men's suits on the premises for buttonhole work which went under 15 feet of water. That could run \$1 million or more and is only one of many plants in the area processing fabric and other materials. The Allentown, Pa., area was hard hit, and a fabric processing plant in that district with 20 customers may have a \$500,000 loss. At Allentown also, one insured has a huge contract on an iron yard where tractors, bulldozers and other equipment are kept. This was under 15 feet of water. No one knows how

(CONTINUED ON PAGE 28)

Program Set for Ohio Agents Meet

A rural-small lines meeting will open the first business session of Ohio Assn. of Insurance Agents' convention at Cincinnati Sept. 12-14.

The panel-type session will be moderated by E. B. Hendrixson, local agent at Batavia.

Louis A. Hellming, president of the Cincinnati association, will preside at a meeting of local board officers.

Commissioner Pryatel and Robert Taft Jr., Ohio legislator, will address a meeting of local board officers.

Afternoon sessions will include an address on public relations by Arthur M. O'Connell of Cincinnati and an education demonstration by Leland T. Powell of Mansfield.

Fire Prevention Assn. of Ohio will hold its annual meeting that evening.

A. Julian Lenke, of Cincinnati will moderate a panel of the Ohio Inspection Bureau liaison committee to start the second day's business sessions.

Earnest L. Clark, retired assistant treasurer and insurance and banking department head of J. C. Penney Co., will present the "Buyer's Point of View" at the following session, and final speaker of the day will be Eugene F. Gallagher, Chicago manager of Planet, who will discuss "Multiple Line Possibilities."

A banquet Tuesday night and a business meeting Wednesday morning will conclude the three-day program.

Holds Countersignature Law OK in Alaska

John A. McKinney, acting Alaska commissioner, has issued an order rescinding his predecessor's April 7, 1955,

order which held the new countersignature act invalid. Mr. McKinney based his order on an opinion from the attorney general holding that the previous commissioner's ruling was unenforceable because the law was constitutional.

Perrigo, Heaton, Kuehn Promoted by N. H. Companies

New Hampshire group has named Charles E. Kuehn, Ellis S. Perrigo and Louis B. Heaton assistant secretaries.

Mr. Kuehn joined New Hampshire Fire in 1927 at the home office. He became special agent for New Hampshire in 1936 and executive state agent several years later.

Mr. Perrigo, who joined the group as state agent for Maine in 1947, previously had been General Adjustment Bureau manager at Augusta, Me.

Mr. Heaton entered insurance with New England Fire Insurance Rating Assn. and later was an engineer for America Fore group which he left in 1948 to take a similar post with New Hampshire group. He was stationed in Boston until 1950 when he went to the home office.

Floater Don't Cover I&B, Furniture, Etc.

F. J. Hanratty, secretary of Automobile, calls attention to the fact that the seven dealer floater policies approved for Inland Marine Insurance Bureau by Kentucky, Vermont and Florida, do not cover improvements and betterments, furniture and fixtures, etc. Paragraph 2 of the form, "property excluded," excludes among other types of property—accounts, improvements and betterments, furniture and fixtures, etc.

Auto PHD Down 2% in Mass., 13% in Ala.

New rates for automobile material damage coverage in Massachusetts and Alabama, filed by National Automobile Underwriters Assn. effective Aug. 22 result in an estimated annual savings of \$926,000 in Massachusetts and \$1,890,000 in Alabama.

Private passenger comprehensive rates in Massachusetts are increased 2%, and for Alabama reduced 13%.

Rates for \$50 deductible private passenger collision in Massachusetts are down 2% and in Alabama reduced 11%.

Private passenger collision \$100 deductible rates are reduced 16.7% in Massachusetts. The average reduction for all private passenger collision coverages in the state is 2 1/2%. In Alabama \$100 deductible is down 14%.

In both states the 13% credit for young women operators and the credit for driver education apply.

In Massachusetts commercial local and intermediate hauling fire rates are reduced 2%, commercial long distance hauling fire rates are cut 10%, commercial, local, intermediate and long distance hauling collision rates are reduced 10% and an additional credit of 20% is approved for collision on commercial automobile. A separate category is set up for farm tractors and farm tractor equipment with substantial reductions in rates.

In Alabama commercial local hauling fire, theft and comprehensive rates are reduced by 10%, commercial local hauling collision 5%, commercial intermediate and long distance hauling fire, theft and comprehensive 14%. Collision premiums for these classes of commercial vehicles are unchanged.

Ore. Agents Meet Set for Portland, Sept. 21-23

A five-day vacation for two at the Hotel Sahara in Las Vegas will be the grand prize of the Oregon Assn. of Insurance Agents convention at Portland, Sept. 21-23.

Tom Collins, Kansas City banker, will be the first speaker at the Thursday business session.

Speakers and their subjects on Friday include Dr. Ben Sweetland, teacher and sales psychologist, who will speak on "The Miracle of Selling"; Robert E. Battles, National Assn. of Insurance Agents executive committee member; John H. Martin, manager of Standard Forms Bureau, who will explain the new dwelling broad form, and J. W. Reynolds, president of United Pacific, who will discuss the future of the auto business.

No Assigned Risk Plan Office for Ft. Bragg

Opening a branch office of the assigned risk plan in Fayetteville, N. C. would be a mistake as a competitive gesture, according to Paul Mize of Raleigh, manager of North Carolina assigned risk plan.

The proposed branch office would not make auto liability policies available quickly enough to meet the competition of the small, unlicensed companies now doing the bulk of the auto insurance business at Fort Bragg. It would, he said, be using the assigned risk plan for competitive purposes, and it does not try to compete.

Fla. Schedules New Law Explanation Conferences

Commissioner Larson of the Florida insurance department and his staff have scheduled eight conferences in principal Florida cities during September to explain insurance laws passed by the 1955 legislature to agents and insurer personnel. Morning sessions will emphasize the new standard A&H provisions and credit life insurance laws, and will be primarily for bankers and life agents. The afternoon session will be devoted to the new fire and casualty insurance laws, particularly the new automobile financial responsibility law which becomes effective Oct. 1.

Hawkeye-Security Names Hughes in Claim Post

Walt Hughes has been promoted to deputy manager of the claim department of Hawkeye-Security. In addition he will supervise claims from Iowa, Missouri, and Kansas.

Mr. Hughes, a graduate of Des Moines College of Law, has been with the company since 1934. For nine years he has served as claims manager at Springfield, Ill.

N. C. Turns Down CDP

The comprehensive dwelling policy filed by North Carolina Fire Insurance Rating Bureau has been disapproved by Commissioner Gold. He previously had rejected the broad form building and contents form and dwelling building special form and said that the decision to reject the CDP was consistent with this action. He said the CDP would be more restrictive than a fire policy with extended coverage.

At the time Mr. Gold rejected the other forms, he approved the homeowners A, B, and C policies subject to the provision that the Rating Bureau file adequate definitions of surface water and contamination listed among the exclusions. The bureau contends it cannot file such definitions because they would be binding on member companies.

Insurance and Reinsurance

for experienced attention

use a STEWART, SMITH office

CHICAGO

Board of Trade Bldg., Chicago 4

NEW YORK

116 John Street, New York 38

PHILADELPHIA

Public Ledger Bldg., Philadelphia 6

MONTREAL

Sun Life Bldg., Montreal 2

TORONTO

897 Bay Street, Toronto 5

BIRMINGHAM

Frank Nelson Bldg., Birmingham

always at your service Around the Clock

LONDON

15 Lime Street, London E.C. 3

For Brokers • Agents • Companies



Luce President of Insurance Counsel

WASHINGTON—Federation of Insurance Counsel at its annual convention here elected Robert T. Luce, vice-president and general counsel of Casualty Mutual, Chicago, president and agreed upon Houston as the site for the 1956 convention.

Other officers are John C. Williams of Houston, executive vice-president and president-elect, Nathan Phillips of Toronto, Richard F. Stevens of Cleveland, Kenneth Wormwood of Denver, Frederick M. Garfield of New York, Thomas N. Foynes, president and general counsel of Electric Mutual Liability of Lynn, Mass., Francis H. Kelly of Kemper group, Chicago, and Norman E. Risjord, vice-president and general counsel of Employers Re, vice-presidents and Ralph E. Becker of Washington, secretary-treasurer.

Members of the board are James Dempsey of White Plains, N. Y., J. Harry Labrum of Philadelphia, Claudius Deschamps of San Francisco, Gregory Brunk of Des Moines, Walter M. Bjork of Madison, Wis., Ivan Robinette of Phoenix, and George W. Woodcliff of Jackson, Miss.

The George Henry Tyne award was presented to John A. Appleman, editor of Federation of Insurance Counsel Quarterly, by Mr. Dempsey, retiring president.

Lawyers Elect Officers; Knowlton Talks on FTC

W. Percy McDonald, senior partner in McDonald, Kuhn, McDonald & Crenshaw of Memphis, was elected chairman of the insurance law section of American Bar Assn. at its annual meeting at Philadelphia. Other officers are H. Beale Rollins of Baltimore, chairman-elect, L. J. Carey, vice-president and general counsel of Michigan Mutual Liability, vice-chairman, and Welcome D. Pierson of Oklahoma City, secretary. Elected to the council of insurance law section were James B. Donovan of New York, L. Duncan Lloyd of Chicago and Ashley St. Clair, counsel of Liberty Mutual.

Commissioner Knowlton of New Hampshire in his discussion of the jurisdiction of federal trade commission over trade practices of insurer declared that the only area in which FTC has jurisdiction presently is in cases where the home state of insurer does not have sufficient law to permit regulation of its insurers in the field of unfair methods of competition and unfair practices.

New Washington Home for Aetna Life Group

WASHINGTON—The Washington offices of Aetna Life group will be located in new quarters in the Commerce building, 17th and K. Streets, commencing Aug. 29. The offices have been in the Investment building.

The companies will occupy more than two floors at the new address. Agents and the public have been invited to inspect the new offices any time after Aug. 29.

The companies are under the management and direction of the following: Aetna Life, Sleeper & Euler, general

agents; group department, Samuel B. Crocker, manager; Aetna Casualty, William A. Boone, manager; Automobile and Standard Fire, Charles C. Gordon and Robert A. Hunt, state agents.

Home Promotes Peters to Marine Manager

Justin R. Peters Jr., who has been marine special agent at Philadelphia for Home, has been promoted and transferred to Los Angeles as marine manager. He joined the company in Philadelphia in 1942.



Robert T. Luce

Loyalty Group Has Big Surplus Gain

Loyalty group in its midyear report shows a surplus to policyholders of \$95,878,547 as compared with \$70,051,273 at June 30, 1954. Earned premiums for the six months were \$76,526,439, losses \$40,557,038, loss expense \$6,410,329 and underwriting expense \$28,66,1298 producing an underwriting gain of \$892,873 as against \$2,734,820 in 1954.

The unearned premium reserve is

\$112,813,427 as against \$116,615,507 a year ago. Assets June 30 were \$296,669,535 as compared with \$267,904,256. Investment income earned was \$4,004,427 for the six months against \$3,748,352 a year ago, and after federal income taxes, the group had a net income of \$3,190,002 as compared with \$4,146,637.

Mattson Heads New Department

Fred L. Mattson Jr. of Portland has been appointed manager of the newly-created fire insurance department of West Coast Lumbermen's Association.

This is a muscle?

field memo

Ag-Empire
Watertown, N. Y.
Dear Folks,

Agent Bob Horn is a real go-getter when it comes to business—and he's got the business to prove it. Always up to his ears in work—and loves it. Also loves to see me show up so he can parcel some of it out to me.

Last week when I visited him Bob said: "Just in time. Got a job for you."

"Great," I said, rolling up my sleeves. "My brains are at your service."

"Never mind your brains, let's feel your muscle. Hmmm...this is a muscle?"

"Hey, what is this?"

"Look old buddy—been so busy lately I haven't had time to take down my storm windows. (And here it is nearly fall!) As an Ag-Empire fieldman, are you or are you not famous for helping agents out?"

So out I went...and down came his storm windows. (Ag-Empire men really go all out, you see!) Afterwards, I said: "About the paperwork, Bob. I'll be back tomorrow."

"Oh...about tomorrow. I was kind of hoping you'd come around tomorrow and... Okay?"

Well, sort of help put up my screens.

The Leg-Empire Man

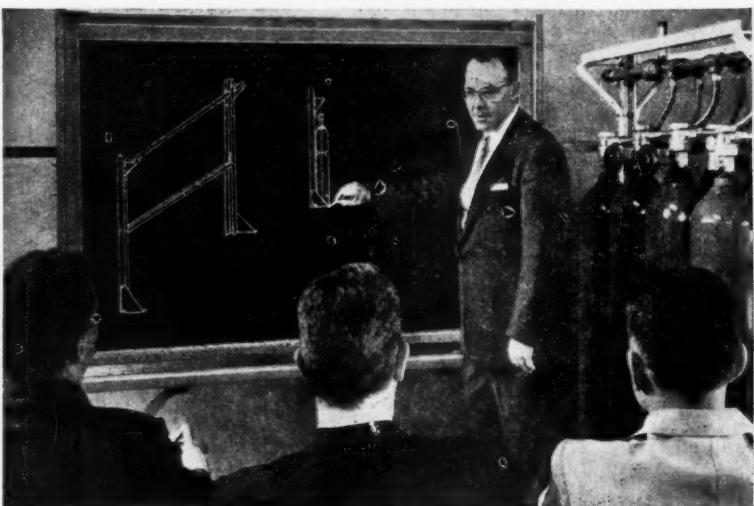
P.S.

Taking down storm windows, putting up screens . . . or pitching in to help shake agents loose from office grind — wherever an Ag-Empire fieldman can be of help, he practically bends over backwards to help. Ouch . . .

Like to learn more about Ag-Empire's helpful "aid-the-agent" service? We're easy to write to.



**GREATEST
FIRE FIGHTING
DESIGN ADVANCE
IN 25 YEARS!**



This Kidde Automatic Pressure-Operated CO₂ Extinguishing System is *brand new from the floor up!*

✓ CHECK THESE 10 FEATURES!

- 1. NO FALLING WEIGHTS** — No clumsy mechanical triggering methods. Pneumatic or Electrical Control Heads automatically trigger CO₂ cylinders, assure complete discharge!
- 2. SELF-ENCLOSED PARTS** — All moving parts of the new Kidde system are self-enclosed to prevent fouling or accidental operation!
- 3. EASIER INSTALLATION** — New racking arrangement is pre-drilled at the factory, eliminates need for special hangers, tools or outside material! Can be either "free standing" or wall mount.
- 4. NO PARTS TO REPLACE** — Even after a fire, operating parts of the new Kidde system can be re-set with a screwdriver. No parts need be replaced. Refill cylinders and system is ready for operation!
- 5. SIMPLE, THOROUGH TESTING** — By merely disconnecting control heads from cylinders, all operating parts (other than actual discharge of CO₂ gas) can be tested in place!
- 6. QUICK VISUAL INSPECTION** — All primary actuating parts fitted with easy-to-read visual indicator. Shows at a glance if system is "set" or "released."
- 7. MULTIPLE PROTECTION** — Automatically-operated Directional Valves let you protect more than one hazard from the same bank of cylinders!
- 8. SIMPLIFIED WEIGHING** — New racking arrangements lets you weigh CO₂ cylinders right in place without disconnecting them, providing uninterrupted fire protection even while cylinders are being weighed!
- 9. NO OUTSIDE POWER NEEDED** — The new Kidde system is completely self-contained, has rate-of-temperature-rise detectors which give sure protection even in case of outside power failure!
- 10. AUXILIARY EQUIPMENT** — Also available for use with the new Kidde system are devices for turning power on or off, for opening or closing doors, windows, dampers, etc.

Fully approved by Underwriters' and Factory Mutual Laboratories. Complete details of this revolutionary new system are contained in Kidde's Pressure-Operated System Booklet. Write for your copy today!

The words 'Kidde', 'Lux', 'Lux-O-Matic', 'Fyre-Freez' and the Kidde seal are trademarks of Walter Kidde & Company, Inc.

Kidde

Walter Kidde & Company, Inc., 843 Main Street, Belleville 9, N.J. • Walter Kidde & Company of Canada, Ltd., Montreal—Toronto

Homer Bray Service, Inc.



NATION WIDE COVERAGE

The name is new—The facility, since 1949 has operated under the name of UNIVERSAL INSURANCE UNDERWRITERS. We are not direct writers and to assist the Agents and Brokers, we have increased the number of American Stock Companies, participating on a quota share basis and affording combined assets in excess of \$150,000,000.00. In addition, we enjoy Lloyd's, London resources for automatic participation as well as excess.

**LIMITS TO \$1,000,000.00 SINGLE LIMIT IN OUR POLICY
FILINGS—48 STATES AND I. C. C.**

As managing underwriters with complete underwriting and claim authority we underwrite on the individual risk basis to afford necessary coverages at proper rates.

"WE SUGGEST YOU TRY OUR FACILITY—YOUR COMPETITOR DOES"

Butane
Ammonia
Produce

Gasoline
Buses
Haul-Away

Explosives
Livestock
Housemovers

Drive-Away
U-Drive-It
Grain Haulers

Oil Field
Lumber
Taxicab

MCL
Products
OLT

HOME OFFICE

ALBUQUERQUE, N. M.

Box 1008

Phone 3-4561

Expects New Marine Definition to Be Finally Abandoned

Raymond G. Shepard, secretary of Fire Association, told insurance section of American Bar Assn. at Philadelphia that there are many problems to be confronted and overcome in the successful development of multiple line policies and the new marine definition will serve a purpose during the interim period, but ultimately will have to be abandoned.

This will come about, he said in his talk on the development of multiple line policies under the nationwide marine definition, when a majority of companies fully exercise their charter and license powers and are given cognizance by state regulatory codes.

One of the problems to be overcome in the development of all risk multiple line policies is the statutory standard fire policy as exemplified by the law in Minnesota which reads "no fire company shall issue on property in this state any policy other than the standard form herein set forth, etc."

The case of Vermes Credit Jewelry, Inc. vs Firemen's Fund, decided by the eighth U.S. court of appeals, involved the writing of a jewelers' block policy by a qualified insurer authorized to do such business in Minnesota.

There was no express statutory provision permitting the insurer to limit or condition its liability for a fire loss on a stock of jewelry by inserting in the policy a warranty not authorized by section 65.01 of the Minnesota statutes relating to the permissible provisions of the standard fire policy. The company had contended that recent state legislation made the standard fire policy law completely inapplicable to a jewelers' block policy and that the policy was an inland marine form which insured against a combination of inseparable risks rather than an aggregation of separate risks.

At the time of the fire, insured did not have in his safe the percentage of jewelry required by the warranty. The court held, however, that any warranty which is not specifically authorized by the statute and is not in harmony with the letter or spirit of the laws of Minnesota relating to the laws of fire insurance cannot be given effect. Judgment for insured was affirmed.

Since this case, Mr. Shepard said, some states have amended their standard fire policy law to provide for this exception, notably Pennsylvania, which has excluded all risk types of policies from the application of the standard fire law. Minnesota, however, still holds firm to the statutory law established more than half century ago.

The ultimate underwriters' Utopia is when one property damage liability policy can be issued to cover all risks on all real and personal property for one limit of liability for any one occurrence. If the insurance business continues at the same accelerated pace of the last five years, Mr. Shepard said he expects this to be accomplished during his lifetime.

Claim Men Hear from the Ladies

Mary Lou Fair, president of Insurance Women of San Antonio, and Sally N. Robinson, past-president of Federation of Insurance Women of Texas, addressed the August meeting of San Antonio Claim Men's Assn. on the importance of good public relations in adjusting.

America Fore Fire Companies Report 11 Appointments

The four fire companies in America Fore group have made 11 appointments.

Vice-president Louis P. Jervey becomes vice-president and manager of the southern department at Atlanta and Roderick G. Turner, formerly a secretary of that department, becomes a vice-president there.

Edgar C. Latham and John T. Nesbitt, who have been assistant secre-

engineer, joined Continental in the same capacity in 1936, serving in North Carolina and Florida. He was named a special agent in 1938 and Georgia state agent for the fire companies in 1942. Mr. Nesbitt was named general adjuster of the southern department in 1947, agency superintendent in 1949 and an assistant secretary in 1953.

Mr. Nelson joined Fidelity-Phenix in Chicago in 1925 as an office boy and has served in the western department as a clerk, assistant examiner, examiner and correspondent. He became assistant general adjuster of the west-

ern department in 1935 and general adjuster in 1952.

Mr. Jones was with Hail Insurance general agency in Colorado Springs, served as a general adjuster for National Union in Memphis and was an independent adjuster in Des Moines before he joined the group in 1935 as staff adjuster in Indianapolis. Two years later he became state adjuster in Minnesota and in 1943 he transferred to the western department as assistant general adjuster. He was named general adjuster of the Pacific department in 1947.

Mr. Padgett joined the group in 1940 as an engineer in Georgia and North and South Carolina. After service in the second world war he became special agent in Georgia, and entered the loss department at Atlanta in 1948. He was named assistant general adjuster in 1949 and general adjuster in 1953.

Mr. Porter, entered insurance as a field engineer with South-Eastern Underwriters. He joined Continental as a special agent in 1945 and was named agency superintendent in the southern department in 1953.



R. G. Turner

Louis P. Jervey

taries of the southern department, and Axel H. Nelson, formerly general adjuster of the western department at Chicago, were named secretaries.

John R. Jones, who has been general adjuster at the Pacific department at San Francisco, was named an assistant secretary.

In other southern department changes Sam F. Padgett was promoted from general adjuster to an assistant secretary, as was George H. Porter Jr., formerly agency superintendent. Miller A. Trammell, formerly chief clerk, becomes an assistant controller, William I. Sauser, in charge of the public utility and business interruption departments, was named an agency superintendent, and Hoyt G. Vories, formerly a special agent, was named an agency superintendent in charge of production.

Mr. Jervey entered insurance in 1911 with Fire Association in Atlanta. He served with Royal, Dargan & Hopkins, and Jerome & Brown, general agents, until 1917. After service in the first world war he returned to Jerome & Brown as a special agent. He joined Fidelity-Phenix in 1920 as a special agent in Virginia. Eight years later Mr. Jervey went to the home office as agency superintendent in the southeastern department. In 1930 he went to Atlanta as assistant secretary of the department's newly opened offices. Ten years later it became known as the southern department. Mr. Jervey was elected a vice-president in 1941.

Mr. Turner joined Fidelity-Phenix in 1919 as an inspector in the Georgia field and a year later was named special agent for that state. In 1937 he went to Atlanta as an agency superintendent for the fire companies in the group and was appointed assistant secretary in 1940 and secretary in 1948.

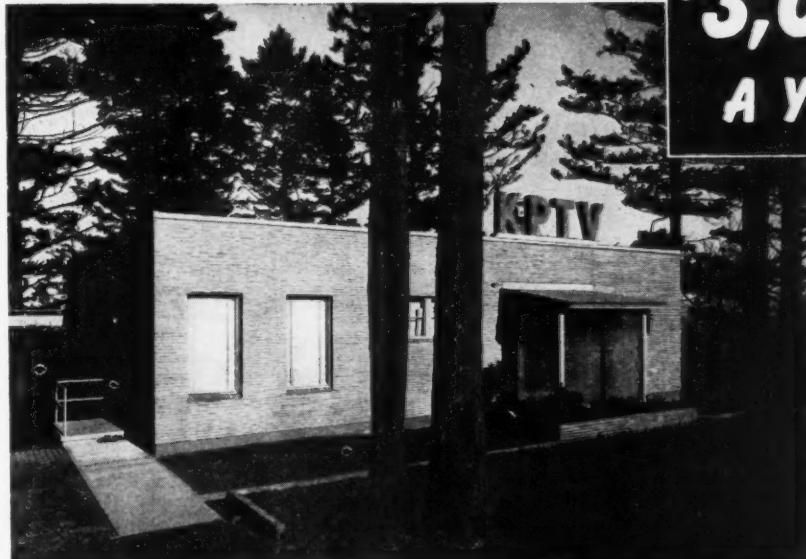
Mr. Latham served South-Eastern Underwriters Assn., as an engineer prior to assuming a similar post with the group in North Carolina and Virginia in 1926. He was later appointed division engineer for those two states and South Carolina. In 1937 he went to Atlanta as assistant chief engineer for the southeastern department and was named chief engineer of the southern department in 1941 and agency superintendent in 1948.

Mr. Nesbitt, who also served South-Eastern Underwriters Assn. as an

KPTV protects its property *Automatically....* gets better FIRE and BURGLARY

PROTECTION and

**SAVES
\$3,000
A YEAR**



ADT Automatic Protection has not only proved a better safeguard for our property and its earning power than other types of protection, but it has also saved us at least \$3,000 a year.



Ronald K. Olsen
Station Manager

KPTV, known as the "Pioneer Station," was the first television station in Portland, Ore., the first anywhere with UHF, and the first to guard a remote transmitter against fire, burglary, and vandalism with ADT Automatic Protection.

Throughout the building, entrance doors, windows, and all other accessible openings are protected by ADT Central Station Burglar Alarm Service. And to detect and report an outbreak of fire, the building is completely protected by ADT Aero Automatic Fire Detection and Alarm Service.

These services, though less expensive than other methods, give better protection—assuring continuity of operation and the resulting benefits to advertisers, viewers and employees.

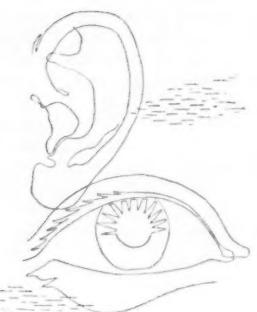
Whether your premises are new or old, sprinklered or unsprinklered, you can protect them completely, effectively and economically by appropriate combinations of ADT Automatic Protection Services. These include: Burglar Alarm, Sprinkler Supervisory and Waterflow Alarm, Automatic Fire Detection and Alarm, and Automatic Heating and Industrial Process Supervisory Services.

For details, call our local sales office if we are listed in your phone book; or write to our Executive Offices.

Controlled Companies of

AMERICAN DISTRICT TELEGRAPH COMPANY
A NATIONWIDE ORGANIZATION
Executive Offices • 155 Sixth Avenue, New York 13, N. Y.

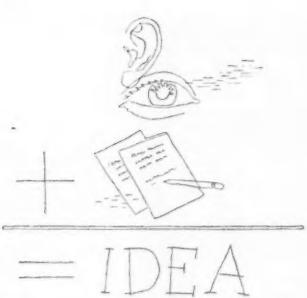




The Kansas City is always on the alert...



...to find new methods and techniques...



...that will help solve your sales problems...



...and build your premium volume.

To build more business...
keep more business...
represent The Kansas City
—a progressive company
for progressive agents.



**Kansas City Fire and Marine
Insurance Company**

301 West 11th Street • Kansas City, Missouri



Reinsurance

Casualty, Fire, Marine, Miscellaneous

•
Pro-Rata—Quota Share—Excess Loss
Treaty and Facultative

•
Excess Covers Including
Steam Boiler, Fleet, Motor Cargo, Aggregate,
Liability, Workmen's Compensation

•
DOMESTIC AND FOREIGN MARKETS

EXCESS UNDERWRITERS, INC.

Howard E. Monklin, Executive Vice-President
Home Office, 175 W. Jackson Boulevard, Chicago, Ill.
San Francisco Office, 582 Market Street

Buyssse Named at N. Y. by American Auto

William F. Buyssse has been named fire and marine manager at New York for American Auto.

Mr. Buyssse's appointment rounds out American-Associated's program of expanding its commercial fire writing facilities to a nation-wide basis.

Mr. Buyssse has 30 years' experience in the fire field. He served with the Home for six years, and from 1933 to 1940 he was with Pearl as agency supervisor. For the next 11 years, he was secretary and director of the William Penn Fire. More recently he has been with Tuttle, Eckels & Gelston general agency in New York as a vice-president.

Speakers Named for N. J. Agents' Annual

New Jersey Assn. of Insurance Agents has named the speakers for its annual meeting to be held at Atlantic City Sept. 15-16.

They are E. R. Hurd Jr., of American Associated, Valmore H. Forcier, Danielson, president Connecticut Assn. of Insurance Agents, Cal. D. Johnson of Remington Rand, Frederick W. Doremus of Eastern Underwriters Assn., William Brewster of National Bureau of Casualty Underwriters, Frederick Gassett Jr., director of New Jersey department of motor vehicles, and S. Gage Lewis, manager of Fire Insurance Rating Organization of New Jersey.

Roy H. MacBean of Cranford has been named chairman of the nominating committee for the convention.

Ark. Has New Insurer

Commissioner Combs has approved articles of incorporation for Arkansas Fire & Marine, which will have its home office at Little Rock.

The company has capital of \$100,000 and surplus of \$400,851. Statutory bond requirements were met by the deposit of \$42,000 in Fort Smith school district bonds with the department.

Incorporators are Willis V. Lewis, Little Rock attorney, president, and James H. Hope of Waco, Tex., vice-president and general manager of underwriting and investment operations. Of some 50,000 shares of stock issued and fully subscribed, Messrs. Lewis and Hope each own 24,000 shares while a third incorporator, Miss A. Lois Austin, Little Rock, owns 2,000 shares.

The company expects to write all property and liability lines except workmen's compensation and fidelity and surety. Operations are expected to begin in September. The company plans to locate its home office on Main Street in Little Rock.

Plan New Col. Reciprocal

LOS ANGELES.—All Coverage Underwriters, as attorney-in-fact, has been granted a permit by Commissioner McConnell of California to "solicit powers of attorney, surplus contributions and applications for the exchange of indemnities for the purpose of organizing a reciprocal or interinsurance exchange."

The attorney-in-fact plans to organize and operate the All Coverage Automobile Insurance Exchange, with home offices in Los Angeles, to write automobile liability, material damage and fire lines.

Officers of the attorney-in-fact are: President and treasurer, Ruben C. Horwitz; vice-president and director, Richard Richards; secretary and director, Harry O. Van Petten.

Assignments for N. Y. Deputies Reported

Superintendent Holz of New York has reported the supervisory assignments of his deputies.

The duties of Julius S. Wikler, first deputy superintendent, have been enlarged and he has general supervisory authority over all department affairs in New York and at Albany and guides the activities of all bureaus, in addition to taking personal charge of the supervision of the legal, rating and welfare bureaus.

The assignments of the deputy superintendents are as follows:

Arthur F. Lamanda, in charge of the property bureau which includes fire, casualty and title and mortgage companies.

William M. Blake Jr., in charge of the life bureau which includes all life companies and fraternals.

Robert M. Malang, in charge of the administration, audit and complaint bureaus.

Alfred W. Haight, assigned to Albany in charge of the overall administration of that office and specifically in charge of the supervision of the policy, actuarial and cooperative fire bureaus.

Special Deputy Superintendent Milton Shalleck, in addition to being in charge of the liquidation bureau, will continue to work with Mr. Holz and the other deputies on special assignments when required.

N. Y. Auto BI and PDL Rates Revised

Superintendent Holz of New York has approved revised rates for bodily injury and property damage liability coverage on private passenger automobiles filed by National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau. The revisions were effective Aug. 24.

The revisions will not result in any change in the overall rate level for the state but represent a readjustment of rates by territory. In some territories rates are reduced and in others remain unchanged or are increased.

For example, class 1A rates for 10/20/5 coverage in Manhattan, Bronx and Brooklyn are decreased from \$139.80 to \$135, in the city portion of Queens from \$99.40 to \$95.40 but in suburban Queens are increased from \$76.20 to \$82.40. In Putnam County rates are increased from \$68.60 to \$74.60 and in Monticello from \$88.40 to \$101.

In Syracuse, there is a decrease from \$70.60 to \$65, an increase in Jamestown from \$48.60 to \$53.80 and a cut in Rochester from \$64.80 to \$56. Herkimer and Ft. Plain rates went from \$71.80 to \$72.20, in Saratoga Springs from \$101.60 to \$105.40, at Glens Falls from \$71 to \$79.20 and in the northern counties from \$57 to \$61.60.

Two Join Brown Bros.

Warren Michael and Verl Mitchell have joined Brown Bros. Adjustment at the Sacramento office. Mr. Michael was with Security-Connecticut group at San Francisco and later with Zurich at Sacramento and San Francisco before joining Brown Bros. He specializes in casualty and aviation claims. Mr. Mitchell has had five years' experience as a company material damage adjuster and before that was in the garage business.

Representatives of member companies of Texas Automobile Insurance Service Office will hold their annual meeting at Austin Sept. 19 to elect three members of the governing committee.

August 25, 1955

PL 15 EXPERTS VIEW:

Insurance Due for Further Regulatory Attention from Congress; Should Prepare

PHILADELPHIA — Congressional power over the insurance business is "all but absolute" and may be exercised in the future to a greater extent than the insurance business currently appears to believe, according to Noel T. Dowling, professor of law at Columbia University, who gave a paper at a joint meeting of the American Bar Assn. committee on life insurance law and the committee on regulation of insurance.

Prof. Dowling, the guiding hand in the constitutional aspects of public law 15, and an outstanding student of constitutional law, pointed out that on what the specific role of Congress should be, the insurance business itself is in the best position to say, at least initially.

"It has close contact with the governmental agencies concerned and it has a high sense of public responsibility," he said. "I have doubts, however, whether at any time since Southeastern the industry has really faced up to the eventual role of Congress in the regulation of the business. Rather, I have somehow got the impression that the industry, geared as it always has been to operation under state laws, has been more or less preoccupied with the hope that in the long run things would level off and go on much as they did before Southeastern."

"But I have no doubts whatever on the point that the industry could make a noteworthy contribution to the art of government in this federal scheme and to its own welfare by undertaking a full examination of the public regulation of the business, for the purpose of determining how the labors of the necessary regulation should be divided between Congress and the states."

"Such an undertaking would offer the best hope of getting on satisfactorily towards what I am sure is ahead, namely, a legislative pattern of coordinated and balanced national and state actions. That has been the trend in the considered development of the federal system. And rightly so, I think, under the genius of the constitution of the United States, a constitution ordained, not to build up an over-reaching central government, but to make this a 'more perfect union.'"

Prof. Dowling pointed that under its "all but absolute" power over insurance, Congress can proceed to its exercise free from any appreciable threat of judicial interference on constitutional grounds.

"The Supreme Court long ago said the commerce power is 'complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the constitution,' and more recently it has declared that effective restraints on the exercise 'must proceed from political rather than from judicial processes,'" said Prof. Dowling.

"As for a limitation, the due process clause of the fifth amendment would be the main source. But in the course of the past 20-odd years that clause has receded to the point of no return as a substantive restraint on legislation for the control of economic affairs. As a matter of fact, due process never availed insurance much anyway. Even in the heydays of judicial protection of liberty of contract the business was an open target for regulation as being

'affected with a public interest.'

"For one reason or another, the court has thought it worth while to remind the industry and the country that 'it does not seem possible to doubt that the state could, if it chose, go into the business' and pre-empt the field for

itself. (This was said in 1940 before Southeastern put Congress in the forefront.)

"So, with the commerce power on the rise and substantive due process in decline, the constitutional problems involved in the regulation of insurance have passed, for all practical purposes, from courts to Congress; and it can be said of this industry that it lives and moves and has its being at the mercy of Congress."

Prof. Dowling pointed out that congressional consent, delegating control to

the states, as in public law 15, was not a new idea at the time public law 15 was enacted, though it did not have much currency in legal thinking. He recalled that within a month or so after the passage of public law 15 Chief Justice Stone "wrote the pay-off line on the power of Congress" in the opinion for the court in *Southern Pacific Co. vs Arizona*: "Congress has undoubtedly power to redefine the distribution of power over interstate commerce." Justice Stone further said that Congress "may either permit the states to regu-

(CONTINUED ON PAGE 21)

*Open the door to new business
this summer with CPL!*



It's easier to sell our Comprehensive Personal Liability policy because everybody appreciates—and needs its broad protection*, particularly now during the active summer months.

It's a door-opener policy! It will get you in—will give you the opportunity to develop other business!

Here's a timely tie-in

CPL is featured in our monthly sales help for our agents, "Mailroad to PROFITS". It offers practical, field-tested suggestions...it's typical of how we help our agents meet today's new competition.

*Our CPL Policy provides:

- \$10,000 broad protection
- \$250 medical payments
- Payment for defense costs
- Year-round protection for liability for sports activities, occurrences on or off premises, acts of children or pets—just about any personal activity anywhere.
- Low premium: \$10-\$15, 3 years for 2½ annual premiums.

SERVING AGENTS FOR OVER 70 YEARS

AMERICAN SURETY
COMPANY FIDELITY • SURETY • CASUALTY • INLAND MARINE
HOMEOWNERS • ACCOUNTANTS LIABILITY • AVIATION

100 Broadway • New York 5, N.Y.



OLD SUPERSTITIONS and what they mean

In the days of Julius Caesar, his head appeared on every Roman coin. So great was his power that if the head turned up when a coin was flipped to settle a dispute, the person who'd chosen it unquestionably won the decision.

However, nowadays, nothing is left to chance when you offer the protection of L & L's new Homeowners Policy or Comprehensive Dwelling Policy. (Now available in most states)

THE London & Lancashire GROUP



THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD. • ORIENT INSURANCE COMPANY • LAW UNION & ROCK INSURANCE COMPANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK • STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department) • LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

Do you know the ropes?

Then you know where to place your Workmen's Compensation, General Liability and Products Liability on—

- | | |
|--------------------|--------------------|
| Beverages | Frozen Foods |
| Bottling | Grocery Stores |
| Completed Plumbing | Hair Straighteners |
| Confectioneries | Ladders |
| Concessions | Restaurants |
| Cosmetics | Scaffolds |
| Detergents | Soaps |
| Drain Openers | Toys |
| Foods | Vending Machines |

Call... WAbash 2-3622

175 West Jackson Boulevard • Chicago 4, Illinois

KURT HITKE & COMPANY, INC.

Managing General Agents Since 1926

CHICAGO • SPRINGFIELD • MIAMI • ATLANTA • BALTIMORE • DALLAS • DENVER • LOS ANGELES

Single Trauma Not Cause of Cancer, Pa. Doctor Tells Lawyers

There is no known single cause of cancer. Yet two factors when brought to bear on the same individual very commonly produce cancers of all kinds. These factors are single trauma and insurance, Dr. A. Reynolds Crane, chief pathologist of Pennsylvania Hospital, Philadelphia, said at the meeting of the insurance section of American Bar Assn. at Philadelphia. The carcinogenic properties of the combination increase in potency each year and in direct proportion to the broadening of insurance coverage. Unfortunate indeed is the man who works for a firm covered by insurance for even his slightest injury may result in cancer, he commented.

The single trauma has no proved factual relationship to cancer, yet it is working to the increasing discredit of law and medicine. No matter how unreliable the plaintiff or how flimsy his story, a lawyer can always be found to take the case and a doctor can always be found to testify for the plaintiff, no matter how remote the connection, he said. And no matter how meager his knowledge of cancer and carcinogenesis the doctor will qualify as an "expert."

Quoting a paper on neoplastic disease, Dr. Crane said "the practice of accepting the unsupported statements of an interested claimant or his friends that an injury actually occurred and especially that the injury was of definite severity does violence to common sense," and another paper on the pathology of trauma, "if a history of trauma is to be regarded as authentic there should be evidence from someone other than a potential beneficiary of compensation as to the nature and result of the violence and the exact site of its application."

In a specific case in which Dr. Crane was called to write an opinion, a 29-year-old white male was employed as a trash collector. On lifting a heavy can of garbage to a disposal truck he experienced pain in his rectum and rectal bleeding. Eight weeks later medical examination revealed a large rectal tumor proven by biopsy to be cancer. Conclusion: collecting garbage will not only give one a pain but cancer as well.

In another, a 50-year-old white male was struck on the left forehead by a

carton of cigarettes which slipped from a shelf and he sustained a small superficial scratch for which he sought no treatment nor reported to anyone. One week later he complained of headache and subsequent medical examination revealed a tumor within the left eyeball, a malignant melanoma for which the eye was enucleated. Conclusion: cigarettes by the carton applied gently to the forehead cause cancer of the eye.

These are actual cases, he said. That they flaunt the truth is obvious, but more disconcerting is that members of the legal and medical professions can be found who will stretch their credulity and consciences to the extend of supporting such claimants.

The plaintiff has much leeway since the natural history of all tumors is an extremely varied one. The final point of the development of a tumor at the exact site of injury is rarely established. The implication of injury to a part because of injury to other neighboring or remote tissues is all too frequently made without any evidence therefore.

A 59-year-old white male sustained a fracture of the pelvis and the jaw in an automobile accident. One year later he succumbed to carcinoma of the lung. Conclusion: an accident bad enough to fracture a pelvis must have jarred and irritated the lung leading to cancer.

When one considers the many injuries of all kinds, both accidental and intentional, that befall mankind and the rarity of tumors at the site of these injuries, it becomes evident that there can be no causal relation between single injury and tumor. This is further supported by the failure to produce tumors by varied mechanical means in a wide variety of experimental animals. Injuries do not produce tumors in medical practice in the hospital or in experimental laboratories but before referees and in courts. Dr. Crane presumes they will continue to produce tumors for years to come, or at least until Diogenes hits the jack-pot.

NYFIRO Names Kennedy Secretary at Albany

New York Fire Insurance Rating Organization has appointed Richard M. Kennedy district secretary at Albany. He had been acting secretary there since February. Mr. Kennedy has also served the Albany office as chief inspector of the general rating department five years.



Buckeye Union Group Goes Multiple Line

Buckeye Union Casualty and Buckeye Union Fire of Columbus will become multiple-line companies. Stockholders, meeting last week, voted to amend the charters to allow this action.

Frederick E. Jones, president of the two companies and the outstanding foe of passage of a multiple line law in Ohio, has issued an announcement to Buckeye Union agents, in which he says:

"This action (charter amendment) was taken so that our organization will have the flexibility to meet any future trends in the industry. It will facilitate the writing of all lines, including any of the multiple peril policies. We do not contemplate any change in our operations at this time. Both companies will continue operations in the usual way, except that they will offer all of the multiple-line contracts with one or the other being the primary carrier."

"Multiple-line underwriting will bring with it many developments in our business. Some of these will be of lasting value; some will not stand the test of practical usage. The significant changes will come about gradually and we plan to have our companies out in front in the new movement."

The Buckeye Union companies are licensed in eight states, writing all fire and casualty lines except workmen's compensation and A&H.

National Union Has Midyear Premium Gain

National Union group reported net premiums written for the first six months of \$17,949,940 compared with \$17,096,379 for the comparable 1954 period. Sizeable increases were registered in inland marine, automobile physical damage and casualty lines, with the latter showing an increase of 26%.

An underwriting loss of \$965,384 was reported, compared with underwriting profit of \$785,977. The loss was primarily the result of unsatisfactory wind-storm experience. "As the result of the continuation of this unfavorable experience," W. A. Rattleman, president, said, "rates for this type of coverage are being adjusted upward. However, the companies' earnings will not fully reflect such increases until the book of old business has been run off."

Total consolidated assets and policyholders' surplus both reached new highs of \$78,905,197 and \$29,744,623, respectively. This was an increase over Dec. 31 assets of \$78,408,743 and policyholders' surplus of \$28,118,066.

Navarre Sees Firmer Controls on Military Base Insurance Sales

LANSING, MICH.—Commissioner Joseph A. Navarre of the Michigan department anticipates a tightening of controls on sale of insurance on military bases, he said recently. He was commenting on the congressional investigation of insurance sales to service men by the House armed services subcommittee. Mr. Navarre appeared before the subcommittee as chairman of the executive committee of National Association of Insurance Commissioners.

The Michigan commissioner said N.A.I.C. recommendations on this subject for a revision of existing legislation were presented in 1953 but failed of adoption. An alternative plan, he

said, has proved an "abysmal failure". Restriction of sales on military bases to licensed agents of the states in which the bases are located is the only feasible plan of control, according to the N.A.I.C. recommendations, Mr. Navarre said. At present commanders of the various bases are permitted to control sales among their personnel.

"Under this arrangement," Mr. Navarre commented, "a salesman licensed to operate in only one state can operate in camps throughout the country." He noted Michigan's own experience in which a Mt. Clemens agent not long ago was found guilty of overcharging

personnel at Selfridge field in sale of policies to them. Had that agent not been licensed in Michigan, he said, it would have been impossible for the Michigan department to correct his gouging of airmen at the field.

Mr. Navarre predicted Congress would accept the N.A.I.C. proposals.

Controllers Elect Insurance Men

Several insurance men have been elected to offices of local controls of Controllers Institute of America at recent elections.

R. E. Gregory of Farm Bureau group and William R. Phelan of U.S.F.&G.

have been elected president of Columbus and Baltimore controls, respectively; Herbert F. Walton of Allstate has been named vice-president of Chicago control, and George Harrison Jr. of Harrison & Harrison has been elected treasurer of Tulsa control.

Named directors of controls in their respective cities were: Hugh M. Earl of Tri-State, Tulsa; John E. Keltner of Farm Bureau group and B. J. Mertz of Buckeye Union Casualty, both of Columbus; Fred H. Schlichting of Cravens, Dargan & Co., Houston, and Richard F. Tharp of Fireman's Fund group, San Francisco.

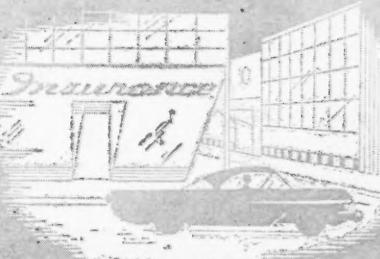
The local insurance agent



Here YESTERDAY...



Here TODAY...



Here TOMORROW...

The man you know
and trust

Consult your insurance agent as
you would your doctor or lawyer

U.S.F.&G.

CASUALTY-FIRE-MARINE INSURANCE
FIDELITY-SURETY BONDS

U.S.F.&G. AGENTS
This is one of a series of advertisements,
appearing in TIME, BUSINESS WEEK,
NEWSWEEK and NATION'S BUSINESS,
designed to help increase your business.

United States Fidelity & Guaranty Company
Baltimore 3, Maryland

Fidelity Insurance Company of Canada, Toronto

Fidelity & Guaranty Insurance Underwriters, Inc.
Baltimore 3, Maryland



Sessions Set for South Bend-Mishawaka I-Day, Sept. 22

Education for preservation is the theme of the insurance day program of South Bend-Mishawaka Assn. of Insurance Agents to be held Sept. 22 in the Indiana Club at South Bend.

The morning session will open with a panel discussion of sales and service opportunities with new fire forms. On the panel are Richard P. White, state agent for Hanover Fire; A. G. Willing, special agent for Hartford Fire; L.R. St. John, manager of Western Adjustment, and Donly J. Barth, manager of the St. Joseph agency. All are from South Bend.

William H. Maloney, superintendent of inland marine in the western department of Hartford Fire at Chicago, will follow the panel with a talk entitled, "Open the Door with Inland Marine."

J. M. Patterson, assistant director of public relations for Standard Oil at Chicago, will address the luncheon session.

The afternoon session will open with

a talk on "You—and Multi-perils Package Policies" by John D. Phelan, vice-president and general sales manager for American States.

The day's program will conclude with a panel discussion on "New Casualty Tools" by Thomas E. Foley, manager of Foley Adjustment Bureau at South Bend; Dan Gibson, agent at Plymouth; Harry H. Kenady, agent at South Bend; Harry F. vonBerg, manager of General Accident at Indianapolis, and James E. White, partner in Whipple & White adjusters at South Bend.

L. A. Agents Hold Golf Day

H. J. Banta, Hobart & Banta agency, won the Garland trophy for low gross at the Insurance Assn. of Los Angeles golf tournament.

Blind bogey prize winners were Marc Leahy, Frank M. Flynn, Lloyd C. Carlton, Charles E. Todd, Burch Cooke and G. W. Halm.

Robert Chapman scored low gross among guests and Marshall Rankin, manager Aetna Fire group, won first prize. Other winners were Max Booth, James Hurry, Bob Wagner, Wallace Short and Ben Bakkeson.

William Holmes, James Miller and Ernie Harris were also winners.

New Forest Fire Policy Has 56 Cent Rate per \$100 with Credits, Debits

Seibels, Bruce & Co. has developed a new policy which covers standing timber against loss by fire or lightning. It is expected that it will make loans on standing timber more readily available and at lower interest rates and will encourage replanting of areas devastated by fire.

The policy is written only by application, which becomes a warranty to the policy, at a base rate of 56 cents a \$100 subject to credits and debits. The credits are county protection and owner's equipment plus breaks, 5%; county protection and organized owner protection unit and breaks, 10%; 12-inch tree size and up, 5%; long leaf pine, 5%; heavy density of forest, 2%. The debits are 2% extra for lightning coverage; exposure charges for: naval stores, 20%, railroads, 2%, recreation areas, 10%, paved state roads, 5%, no protection, 50%; tree size up to six inches, 50%; steep terrain, 10%; heavy underbrush, 10%; and other recognizable hazards, 5% to 100%.

The premium rate includes a charge equal to 80% of the annual premium for the additional hazard incurred during the dry season, February through June, and the policy provides that in case of cancellation by insured the return premium is calculated at the customary short rate of the difference between the dry season charge and the full premium.

Increasing values are listed, plus planting costs, by years of age on unmerchantable size plantation trees and there is a deductible of 2% or \$150, whichever is greater.

The policy does not cover trees growing in places where it is impracticable or impossible to log at the usual profit by ordinary methods. Also, it does not cover unmerchantable trees growing within a fully stocked stand of merchantable trees. There is no loss assumed for removal of debris or stumps on an insured tract.

Forest fire insurance has not been very popular because of the rate and company underwriting standards even though the bureau manual provides a fire rate of \$5 for hardwood standing timber, and \$7.50 for other than hardwood, in addition to a \$5 rate for windstorm.

One of the largest policies written on standing timber covered a loan made by Travelers to Southern Oregon Pine Co. It covered the mortgagee's interest for a \$1.5 million loan. The premium was based on a rate of 1% of the loan value at the beginning of each year with a \$250,000 deductible.

Standard Accident Schedule Out

Standard Accident has sent company agents a copy of its compilation of football schedules of leading colleges and

universities throughout America.

Accompanying the schedule was a brochure pointing out that this is the twenty-fifth edition of the schedule and providing a history of its development. The brochure contained comments by coaches and athletic directors of the various colleges and universities represented in the schedule as well as the companies' agents, attesting to the popularity of the schedules and indicating their effectiveness as good will and business builders.

Sureties on Cal. Work Listed

Fidelity & Deposit and Pacific Indemnity are sureties on the construction of a Normandie avenue storm drain in Los Angeles and Gardena. Cal. Johnson Western Construction Co. of Los Angeles and A. E. Irish, San Pedro, were awarded the contract by Los Angeles County at a bid price of \$1,119,662.

Pacific Indemnity is on the bond for construction of an auditorium and additions to the high school at Burbank, Cal. C. W. Driver, Los Angeles, got the work with a bid of \$1,020,000.

Augusta Board of Fire & Casualty Agents has elected Adrain Cohen president, succeeding Henry M. North.

Ohio Security of Hamilton has been licensed in Indiana.



• LONG HAUL TRUCKS

• TAXICABS • BUSES

All coverages

• EXCESS LIMITS

All Classes
over Low Primary—over Self Insurance
High Limits Capacity

• PRIMARY INSURANCE

General Public Liability & Property Damage
All Forms including:
Malpractice—Physicians, Surgeons, Hospital,
Clinic
Theatres, Hotels, Municipalities
L.P.G. Anhydrous Ammonia
Amusement Parks, Carnivals
Auto Racing, Swimming Pools, Resorts

• SURPLUS LINES

Fire
Fire, Theft & Collision
Marine (Inland & Ocean)
Unusual Risks

E. J. GLOVER & CO.

CHICAGO 4, ILL.

Harrison 7-9376

175 W. Jackson Blvd.

Teletype CG 1636



HOTEL TULLER

...featuring convenience, comfort, quality! A cosmopolitan atmosphere in home-like setting. In the center of all downtown activities. Newly decorated. Ultra modern, comfortable guest rooms... excellent food at moderate prices in our modern coffee shop and cafeteria.

Radio and Television in room.
Air Conditioned rooms in season.

800 ROOMS \$375
WITH BATH from
GARAGE and PARKING LOT

FAMILY RATES
No Charge for Children
14 and Under —
Harry E. Paulsen General Manager
FACING GRAND CIRCUS PARK

DETROIT

NATIONAL REINSURANCE CORPORATION

AN AMERICAN REINSURANCE MARKET

Participating Treaties • Excess of Loss Contracts

99 JOHN STREET, NEW YORK 38, N. Y.

Schlesinger Sees Trend to Broader Coverage as Answer to Competition

Recent marketing developments in the fire and allied lines field center about broader coverages, broader policies, more equitable rates and special treatment of highly protected risks, A. L. Schlesinger Jr., president and manager of the insurance department of Latter & Blum, New Orleans, said at Southern Insurance Institute at University of Mississippi, Oxford. There are more competitive weapons with better merchandise, and easier payment methods which may lead to changes in the term rules, he believes.

Insurance marketing today seems to be characterized by a trend towards multiple peril and all risk type policies. The trend is apparent not only in the residential field but also in the mercantile and industrial field.

It will be interesting to see if the homeowners policies will be changed to make the 10% options additional amounts of insurance. In Mr. Schlesinger's opinion, they will be. The homeowners C policy, with these additions of coverage, is the policy of the near future he believes. Whether its designers will break down the now indivisible premiums and loss statistics or whether the regulatory authorities will back down from their position remains to be seen, he said. In several states, a formula has been agreed upon so that fire taxes may be allocated; perhaps a similar formula may be agreed upon in regard to loss statistics.

No jurisdictions seem to be willing, at present, to allow the board special or comprehensive forms to be utilized in covering farm properties. Nor do there seem to be any package policies which would combine coverages on buildings, contents and farmer's comprehensive personal liability and allow discounts for the minimum combinations of these types of coverages. Competition will provide the greatest stimulus for progress in this field, he said.

The most studied trend in the mercantile field today is the rise of the miscellaneous block policies. Unless something is done rather soon, Mr. Schlesinger believes the business is headed for a really chaotic condition regarding the coverage of stocks of merchandise.

Other than the miscellaneous block policy being written under multiple line charters in California, eastern companies have come out with a combination of the multiple location fire and EC form coupled with a merchandise floater policy but he believes this combination adds no coverages which insured could not formerly obtain by a combination of two such policies. All this combination does in his opinion is eliminate one minimum premium and does not answer the need for the block policy.

Some insured already carry the coverages provided by the block policy spread out over several companies and in several policies. One insured Mr. Schlesinger knows carries a MLSO fire and EC policy, open stock burglary, earthquake policy, various types of inland marine floaters and transportation policies and on top of all that, has a Lloyds certificate covering anything not covered by the other policies. Compare this with the convenience of one policy, one report, one premium, he commented.

There have been reports of individual cases where the authorized companies

have written the California type of policy and he has heard that several specific examples were reported to the state regulatory authorities. In some cases that authorized insurers have alleged to have said, "This is not inland marine coverage so the inland marine authorities have no jurisdiction. On the other hand, it is not fire coverage so the fire authorities have no jurisdiction." If such a statement were al-

lowed to stand unchallenged, there would be the definite demise of all state regulation. Mr. Schlesinger has been advised that state insurance departments throughout the country have taken up the challenge and, he believes, the block forms will soon be authorized in many jurisdictions.

At present, there seems to be no tendency to provide broadened coverages on mercantile and manufacturing buildings. So far as Mr. Schlesinger has been able to determine, coverages such as are found in the residential broad and special forms are not avail-

able from authorized insurers. However, as the demand for the dwelling coverages grows, so shall the potential demand for such coverages in the non-dwelling, non-farm field grow until the companies will be forced to provide the necessary forms, he said.

Though there may not have been a large amount of premiums written on the new earnings insurance form since its adoption, he estimates it has opened the door to many additional sales of the established forms of business interruption insurance.

(CONTINUED ON PAGE 17)



The boy in Room 206...

■ His name is Billy. Age 17. An honor student at McKinley High. But no one taught him the simple fact that it takes 264 feet to stop a car going 60 miles per hour!

Every day we read of the maiming and killing caused by young drivers behind the steering wheel. In fact, one out of every four fatal accidents involves a youthful driver!

WHERE HAVE WE FAILED? We wouldn't think of sending our youngsters out into the world without learning the 3 R's. Yet, we send them out on the highway without teaching them the proper attitudes so vital to safe driving.

WHAT CAN WE DO? Driving has become a necessity. As necessary to modern living as the 3 R's. And the ideal place to teach our youngsters safe driving is in high school right along with English, algebra and history.

WILL IT WORK? It has worked in hundreds of high schools where Driver Education Courses are available. Studies prove that the untrained student driver has twice as many accidents as the trained driver!

YOU CAN HELP! Your influence as an insurance man and civic minded citizen can help pave the way for Driver Education in your local high school. Discussions with your PTA, school officials, school board and local Safety Council are good starting points. Premium advantages to trained young drivers already provide extra incentive. Send for the helpful folder—"Teach Them to Drive...and Survive!"

ALLSTATE
INSURANCE COMPANY
Home Office • Skokie, Illinois

© A.I. Co.

Combs Clarifies Fire and EC Rates in Ark.

LITTLE ROCK—Commissioner Combs has issued an order clarifying fire and EC rates on suburban and farm property following complaints that some of these properties were being written at class 10 rates in violation of Arkansas Rating & Inspection Bureau filings.

The order directed the bureau to notify its members and subscribers, their field representatives and local agents "to describe the location (of the property) in a manner which will enable the bureau to make a proper audit of the rates. All daily reports, certificates and endorsements for all lines of insurance for which the bureau makes filings must be submitted to the bureau for audit in order to insure proper application of rules, rates and forms.

"Indefinite and evasive locations such as 'adjoining the city limits' and 'at the named town' must be discontinued. Non-approvals should be issued against policies describing locations in this or similar manner," Mr. Combs said. "Many policies apparently are

deliberately written in such a manner as to conceal the proper rate classification. The rules filed with this department provide rates applying to 9th class, 10th class, country property and farm property and the proper rates must be charged," the commissioner said.

The commissioner said misapplication of filed rates and rules constitutes a serious violation of requirements and necessarily subjects an offending company and its agents to full penalty under state laws.

The order also covered complaints of improper rates on property in 9th class areas within cities (areas beyond hydrant distance or too far from a fire station). In many instances agents charged the same rates for 9th class as for fully protected areas of cities, it was charged.

The bureau, in a bulletin to members and agents, included a copy of Commissioner Combs' order and a restatement of bureau requirements for adequate property descriptions in policies. The commissioner's ruling and the bureau's bulletin are expected to eliminate the problem of "farm vs suburban" fire and EC rates in fringe areas around cities.



COMMERCIAL STANDARD
INSURANCE COMPANY
FORT WORTH, TEXAS

RAYMOND E. BUCK CHAIRMAN OF BOARD AND PRESIDENT



Vt. Agents Complete Program for Annual

Vermont Assn. of Insurance Agents has completed the program for its annual meeting Sept. 11 and 12 at Lake Morey Inn, Fairlee.

The Sunday program will get underway with a golf tournament with company men vs agents, followed by a supper. The annual business meeting will get started at 10:30 a.m. Monday at which committee reports will be given and officers elected.

The session will be followed by a panel discussion on homeowners policies. C. F. Rowley of Burlington and Richard C. Hubbard of Middlebury will represent the agents and George Alspach of North America and Robert McKay of Phoenix-Connecticut group, the companies. The forum will be open to all company men and agents.

Afternoon speakers and their topics will be Thomas M. Meredith, associate director of Hartford training center of Hartford Accident, "Why A&H"; Edward D. Sirois, secretary of Mutual Fire Insurance Assn. of New England, servicing, processing and adjustment of losses, and Frank G. Haley, secretary of America Fore group, the new automobile policy.

A social hour will be held at 6 p.m. Monday, followed by a banquet at which greetings will be given from Gov. Johnson and Insurance Commissioner Miller. The golf tournament cup will also be presented.

Three to Southwest Posts

John Townsend, inspector for Northwestern Mutual Fire, has been named special agent in Louisiana and eastern Texas.

Jay B. Dyer has been appointed to succeed him as inspector in Arkansas and Louisiana.

In another transfer, John C. Woods was named inspector for Oklahoma, New Mexico and northern and western Texas.

Wyo. Issues Commission Ban

Certain retrospective commissions to creditors under credit life and A&H policies have been banned by the Wyoming department.

No commissions or credits of any kind will be allowed if the premium has been paid by the debtors through an identifiable premium, service or finance fee or special interest charge.

Kenny Moves to Michigan

Thad A. Kenny, field man for Trinity Universal in Indianapolis, has been named manager of the company's first Michigan office, scheduled to open in Grand Rapids Sept. 1 in the Peoples National Bank building.

Beacon Mutual Promotes P. E. Buehler, Others

Paul E. Buehler, agency vice-president of Beacon Mutual Indemnity, has been named vice-president of agency matters and operations.

In other personnel changes, Carter H. Grinstead, assistant secretary, was named to handle investments, and Warren L. Schwochow was appointed sales manager for A&H.

Coffin Promoted by Providence Washington

Providence Washington has named Ross E. Coffin assistant general manager of the western department at Chicago, where he will work under Donald E. Tefft, general manager, with primary responsibility for the agency plant.

Mr. Coffin has been with the company since 1948 as state agent for Indiana. He is a past president of Indiana Assn. of Insurance Agents.

B Service Guide

The LAWRENCE WILSON COMPANY
Managing General Agents
"Unexcelled Insurance Facilities"
SERVICE TO LOCAL AGENTS
AND BROKERS EXCLUSIVELY
First National Bank Bldg., Tulsa 3, Okla.

Consultants
in Marketing and Management
for the Insurance Business

FRANK LANG and ASSOCIATES
1 NORTH LA SALLE STREET
CHICAGO 2, ILL. FRANKLIN 2-2795

EXCESS - SURPLUS
Insurance
Arnold Chair
139 BROADWAY
NEW YORK 38, N.Y.
Bekman 3-7232
"Placing the Unplaceable"

ROBERT I. BUSHNELL
Consultant to
Insurance Companies
MULTIPLE LINE COORDINATION
AND WORK SIMPLIFICATION
HOYDEN'S HILL ROAD-FAIRFIELD, CONNECTICUT

AMERICAN HOME ASSURANCE COMPANY

The Insurance Company of the State of Pennsylvania

111 WILLIAM STREET, NEW YORK 38, N.Y.

Minn. Agents' Meet to Feature Panel and Seminar Sessions

A panel discussion on the new Minnesota farm rate schedule and surveys will be one of the highlights at Minnesota Assn. of Insurance Agents convention at Rochester, Sept. 14-16.

R. D. Clough, farm department manager for Fireman's Fund group at Minneapolis, will lead the panel.

The new rates are receiving favorable acceptance by agents according to Kenneth Ogilvie, secretary of Farm Underwriters Assn., and Joseph Cryan, assistant secretary farm and hail department of America Fore at Chicago. The two men conducted regional conferences on the rates recently.

George W. Jones, automobile department superintendent of America Fore group, will lead a seminar on automobile coverages. A dwelling forms seminar will be led by T. A. Valine Jr., Minneapolis F&M.

Other panel topics and leaders will be "Business Interruption Insurance," Walter E. Nordell, state agent at Minneapolis for New York Underwriters; "Office Systems," Oscar Beling, New York superintendent for Royal-Liverpool group; "Contract and Fidelity Bonds," Clarence F. Clark, vice-president of the Fred L. Gray Co. general agency; "General Liability," Robert L. Pugh, superintendent of agents at Minneapolis for Aetna Casualty & Surety; "Inland Marine," Frank S. Fischer Jr., superintendent of the western marine department at Chicago for New Hampshire Fire, and "Appraisals," Bennett R. Kowalski, district manager at Minneapolis for Marshall & Stevens Inc., appraisal engineers.

Other features of the first day's session will be a talk on "The Role of Accident and Health Insurance in a Diversified Local Insurance Agency," by W. C. Woodyard, director of administration in the A&H department at Chicago for Continental Casualty, and an address on "Automobile Insurance" by A. H. Graves, assistant superintendent of agencies for Travelers at Hartford.

A "gripe" breakfast session will open the second day's session. Speakers will include Eino Krapu, manager of Northern States Agency at St. Paul; Wayne Childs, vice-president of Great Northern of Minneapolis, and Robert S. Brown, treasurer of the C. O. Brown agency at Rochester, who will act as moderator.

Armand Harris, former Minnesota commissioner and now with St. Paul F&M. will explain the new Minnesota fire policy. Another executive of the St. Paul group, Don Clifford, will talk on "Errors and Omissions Insurance for the Agent."

Other topics on the program are "Safety Engineering," by James Cavanaugh, Travelers, Minneapolis; "Building A Successful Local Agency," by H. H. Nelson, Council Bluffs, Ia., and "C.P.C.U. Surveys," by William Peet, manager of the survey department of Marsh & McLennan at Minneapolis.

Ohio Association Plans Educational Activities

Ohio Assn. of Insurance Agents is sponsoring 12 clinics on multiple line package policies which will become available next month under the new multiple line underwriting law of the state.

The first will be at Painesville on Sept. 29 under the direction of L. T. Powell of Mansfield, past president of

the association.

The association will also hold an institute on office procedures at Ohio State University Oct. 17-21, with Carl Strong of Michigan State University in charge.

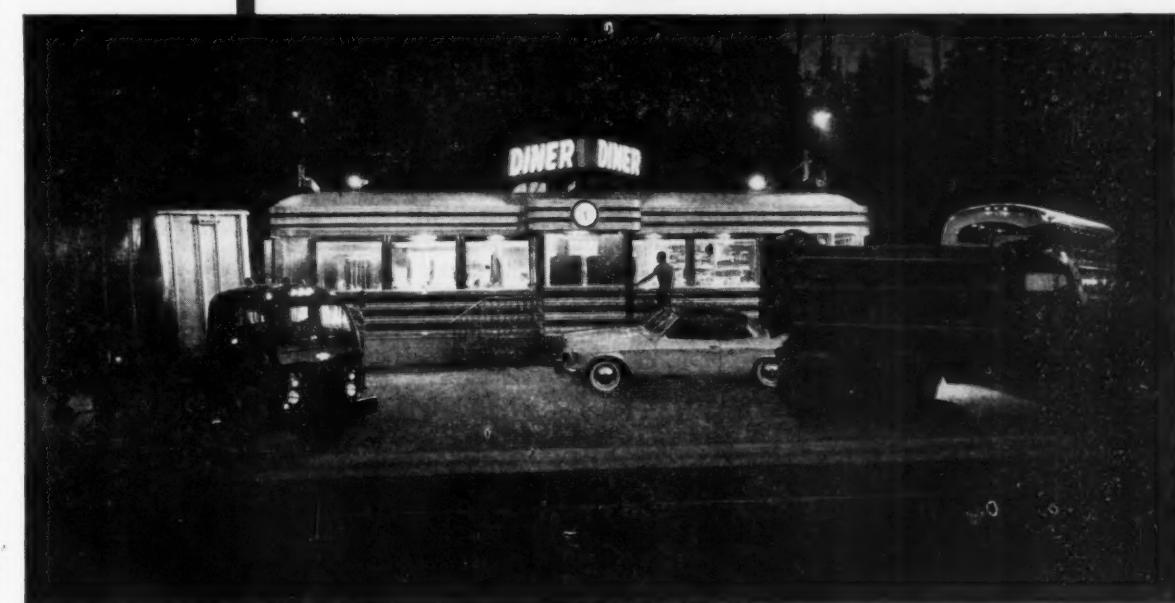
Other educational activities scheduled, under the general direction of C. T. Collins, educational director, are a fire and casualty rating school in November; four property insurance workshop sessions in January, March, June and September, 1956; the advanced agency management school at Lake Erie College in June and another office procedures institute at the same time.

ARE YOU AWAKE

TO EASY,

EXTRA

profits



**write truck and bus
insurance the simple
"one call" Markel way!**

No specialized skill, no technical experience is necessary to present the Markel Plan to your truck and bus contacts. Most of them, in fact, are thoroughly aware of what Markel offers.

They know of Markel's 24 hour engineering service, research programs, safety inspections, highway driver checks and many other Markel features. They know that these Markel services reduce accidents by eliminating the causes...with consequent reductions in premiums. You don't have to "sell" the Markel story...just present it! And Markel underwriting specialists take over the "follow-up" leaving you free to line up more business. Get the facts today-mail the coupon for FREE "How-to-do-it" kit.

MARKEL SERVICE, INC.

*Look for this Symbol of Safety
on America's Trucks and Buses*



HOME OFFICE: Richmond, Va.

"Eliminates The Cause To Eliminate The Accident"

Exclusive Underwriters for the

AMERICAN FIDELITY & CASUALTY COMPANY, INC.

The largest stock company in the world
specializing in motor carriage coverages.

MARKEL SERVICE, INC.
Richmond, Va., Dept. NU-8

Gentlemen: Yes, I am interested in selling this kind of coverage. Without obligation, send me at once all the details on Markel Service and the 10-Point Plan to Profits.

NAME _____

ADDRESS _____

CITY _____

ZONE _____ STATE _____

We're putting the "system" in the American Agency System

Why?

First, because we firmly believe in the American Agency System.

Second, because we know that the important thing is not whether you're a \$75,000 premium agency or a \$150,000 agency or even a \$500,000 or \$1,000,000 agency. It's "What are you doing that you don't have to do?" That's the key to swallowed-up profit in most agencies.

Albany, Miami, Kansas City, Seattle or Los Angeles—whatever your location—the problem's the same. How to make a profit. In many cases in spite of your agency's system.

To come out the financial victor in this highly complex business of successfully operating an agency sometimes requires the objective advice of an agency systems expert. For over a quarter of a century the Agency Systems Department of the Royal-Liverpool Insurance Group has been offering agencies a unique, *on-the-spot* service. A service that has meant to over 6,000 agencies better operation and production based on proven, money-saving formulas of modern agency management. A service that will help you "clear the decks for action" and thereby give you the extra time necessary to carry out a real sales program and at the same time combat other methods of merchandising.

Now We Have Gone One Step Further!

In addition to our Agency Systems Department with its experts scattered all over the country, we have educated our fieldmen in the basic essentials of practical modern agency management. Why not give your Royal-Liverpool fieldman a chance to help you squeeze more profit out of each commission dollar?

If you are not yet a member of the Royal-Liverpool family of producers and would like further information about this unusual and practical service designed to put money in your pocket, use the coupon below.

Agency Systems Department
Royal-Liverpool Insurance Group
150 William Street, New York 38, N. Y.

Please tell me how the Agency Systems Department helps agents. No obligation, of course.

Agent's Name.....

Address.....

Convention Dates

- Aug. 17-20, Federation of Insurance Counsel, annual, Sheraton Park hotel, Washington, D. C.
- Aug. 21, American Bar Assn. insurance law section, annual, Philadelphia.
- Aug. 22-23, South Dakota Assn. of Insurance Agents, annual, Rapid City.
- Sept. 5-7, International Federation of Commercial Travelers Insurance Organizations, annual, Sun Valley Lodge, Sun Valley, Idaho.
- Sept. 8-9, Utah Assn. of Insurance Agents, annual, Ben Lomond Hotel, Ogden.
- Sept. 11-13, Pennsylvania Assn. of Insurance Agents, annual, William Penn hotel, Pittsburgh.
- Sept. 11-14, Idaho Assn. of Insurance Agents, annual, Sun Valley Lodge, Sun Valley.
- Sept. 12, Vermont Assn. of Insurance Agents, annual, Lake Morey Inn, Fairlee.
- Sept. 12-14, International Claim Assn., annual, Lake Placid Club, Lake Placid, New York.
- Sept. 12-14, Ohio Assn. of Insurance Agents, Sheraton-Gibson hotel, Cincinnati.
- Sept. 14-16, Illinois Assn. of Mutual Insurance Companies, annual, Pere Marquette hotel, Peoria.
- Sept. 14-16, Maine Assn. of Insurance Agents, annual, The Samoset, Rockland.
- Sept. 14-16, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.
- Sept. 15-16, New Jersey Assn. of Insurance Agents, annual, Chalfonte-Haddon Hall, Atlantic City.
- Sept. 15-16, Minnesota Assn. of Insurance Agents, annual, Hotel Kahler, Rochester, Minn.
- Sept. 15-17, Louisiana Assn. of Mutual Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
- Sept. 15-17, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings.
- Sept. 18-20, Washington Assn. of Insurance Agents, annual, Leopold and Bellingham hotels, Bellingham.
- Sept. 19-20, Minnesota Assn. of Mutual Insurance Agents, annual, Leamington hotel, Minneapolis.
- Sept. 19-21, New Hampshire Assn. of Insurance Agents, annual, Wentworth-by-the-Sea hotel, Portsmouth.
- Sept. 20-21, South Carolina Assn. of Insurance Agents, annual, Columbia hotel, Columbia.
- Sept. 20-23, Mutual Loss Managers Conference, Chicago.
- Sept. 22-23, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.
- Sept. 25-27, Kentucky Assn. of Mutual Insurance Agents, annual, Kentucky hotel, Louisville.
- Sept. 28-27, Mutual Agents of New England, Hotel Somerset, Boston.
- Sept. 26-28, Bureau of Accident & Health Underwriters, annual, Mount Washington hotel, Bretton Woods, N. H.
- Sept. 28-30, Society of Chartered Property & Casualty Underwriters, annual, Fairmont hotel, San Francisco.
- Sept. 29-Oct. 1, Nevada Assn. of Insurance Agents, annual, Sahara hotel, Las Vegas.
- Oct. 2-5, National Assn. of Casualty & Surety Agents, annual, The Greenbrier, White Sulphur Springs, W. Va.
- Oct. 3-6, National Assn. of Insurance Agents, annual, Statler and Biltmore hotels, Los Angeles.
- Oct. 3-6, California Assn. of Insurance Agents, annual, Biltmore and Statler hotels, Los Angeles.
- Oct. 9-12, Conference of Mutual Casualty Companies, Jefferson hotel, St. Louis.
- Oct. 9-13, National Assn. of Mutual Insurance Companies, annual, Jefferson hotel, St. Louis.
- Oct. 10-12, Federation of Mutual Fire Insurance Companies, Jefferson hotel, St. Louis.
- Oct. 16-18, Maryland Assn. of Insurance Agents, annual, Fort Cumberland hotel, Cumberland.
- Oct. 17, Rhode Island Assn. of Insurance Agents, annual, Sheraton-Baltimore hotel, Providence.
- Oct. 17-19, National Assn. of Mutual Insurance Agents, annual, Netherland Plaza hotel, Cincinnati.
- Oct. 17-19, Western Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs, W. Va.
- Oct. 17-19, Wisconsin Assn. of Insurance Agents, annual, Hotel Schroeder, Milwaukee.
- Oct. 21-22, New Mexico Assn. of Insurance Agents, annual, La Fonda hotel, Santa Fe.
- Oct. 23-25, Arizona Assn. of Insurance Agents, annual, Westward Ho hotel, Phoenix.
- Oct. 23-25, Kansas Assn. of Insurance Agents, annual, Town House hotel, Kansas City, Kan.
- Oct. 24-25, Tennessee Assn. of Insurance Agents, annual, Andrew Johnson hotel, Knoxville.
- Oct. 25-26, Massachusetts Assn. of Insurance Agents, annual, Sheraton-Plaza, Boston.
- Oct. 26, Connecticut Assn. of Insurance Agents, annual, Hotel Statler, Hartford.
- Oct. 26-28, Insurance Accountants Assn., annual, Shoreham hotel, Washington, D. C.
- Oct. 26-28, American Management Assn., insurance conference, Palmer House, Chicago.
- Oct. 27-28, Nebraska Assn. of Insurance Agents, annual, Fontenelle hotel, Omaha.
- Oct. 27-28, Pacific Fire Rating Bureau, annual, Camelback Inn, Phoenix.
- Oct. 28-29, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.
- Oct. 30-Nov. 1, Missouri Assn. of Insurance Agents, annual, Muehlbach hotel, Kansas City.
- Oct. 31, National Assn. of Mutual Casualty Insurance Companies, annual, Edgewater Beach hotel, Chicago.
- Oct. 31, National Assn. of Automotive Mutual Companies, annual, Edgewater Beach hotel, Chicago.
- Oct. 31-Nov. 2, National Assn. of Independent Insurers, annual, Sherman hotel, Chicago.
- Oct. 31-Nov. 2, American Mutual Alliance, annual, Edgewater Beach hotel, Chicago.
- Nov. 7, Fire Underwriters Assn. of the Mountain States, annual, Denver.
- Nov. 14-16, Indiana Assn. of Insurance Agents, annual, Claypool hotel, Indianapolis.
- Nov. 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Des Moines.
- Nov. 20-23, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.

YOUR CLIENT has confidence in YOUR counsel!

• You'll safeguard his interests — and yours — when you point out the need for a factual appraisal as a sound basis for determining his insurance protection.

THE LLOYD-THOMAS RECOGNIZED APPRAISAL AUTHORITIES CO.

4411 Ravenswood Avenue, Chicago 40, Ill.

First for Factual appraisals since 1910

OFFICES — COAST TO COAST



Wm. H. McGee & Co., Inc.

MARINE UNDERWRITERS

111 John Street, New York 38, N.Y.

Baltimore	Los Angeles
Boston	Montreal
Chicago	New Orleans
Columbus, O.	Philadelphia
Dallas	San Francisco
Houston	Seattle



OCEAN MARINE
INLAND MARINE
HOMEOWNERS' COMPREHENSIVE
MANUFACTURERS' OUTPUT
and similar covers

Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Underwriters Salvage Saves Insurers' Money: Rescues, Sells Damaged Goods

Underwriters Salvage Co. of New York plays a unique role in the insurance business, one that has resulted not only in saving its stockholders—some 70 fire companies—millions of dollars but untold headaches as well.

The salvage organization was founded in 1893 by a group of top insurance executives who realized that insurance underwriting and merchandising are two separate and distinct types of business. The founding directors knew, too, that the function of loss adjustment should be kept free of the problems that surround the sale of merchandise.

Ordinary business is usually confined to one product or related products but Underwriters Salvage is, or can become, actively engaged in the handling and marketing of any and all merchandise, often in conditions ranging from nearly perfect to almost totally destroyed.

The matter of determining the fair market value of a product after it has been damaged is, in itself, a field for specialists and the company has in its employ many special agents who work with adjusters in expediting claims resulting from losses by fire, water, smoke and disasters. These special agents are frequently called on to assist the insurance company representative in making inventories, verifying schedules and estimating possible salvage.

The company has strategically located warehouses in railroad and trucking centers equipped with facilities for drying, reconditioning and selling merchandise. The salvage agent also may remove stock to a warehouse where it can be stored pending final disposition of insured's loss claim. The adjuster utilizing the salvage company's services and facilities is not limited to a local marketing situation but has available the services of an organization with outlets from coast to coast, making it more probable that stocks will be sold for the best obtainable price.

This ability to provide a means for competitive bidding under the supervision of an organization whose primary function is service to the underwriters, has resulted in savings of millions of dollars to the participating members of the salvage company. Because the company operates on as nearly a non-profit basis as prudent management will allow, these savings are achieved entirely by close supervision of the operating policy. Those profits which do develop are retained in the corporation and invested in capital structures and in the improvement of facilities for use by the insurance business.

It is impracticable within the limits of this article to enumerate the mechanical facilities of the company location by location. The management,

however, has made its investment in property and equipment thoughtfully and carefully with the purpose of making as much service as possible available where needed and yet retain a reasonable standard of operating cost economy. Much of the equipment is mobile in nature and can be readily transported.

As the economic distribution of business activity differs from state to state, so the facilities of the Underwriters Salvage Co. vary. In the New England area, personnel has been more particularly trained in the handling of merchandise which is peculiar to that area, such as leather products.

In New York City strong emphasis is placed on facilities for more readily handling soft goods, and in the southeastern and southwestern departments there will be found those members of the organization who specialize in the handling of cotton and fertilizers, and other products and manufactured goods in heavy production in those areas.

The Pacific Coast department has machinery and equipment available in the northwest for the handling of grain, and has placed special car-cleaning equipment in the locations most strategic to its use.

The company's permanent staff does not exceed 250 employees. Its employment rolls, however, frequently include several thousand workers who are hired on a casual-labor basis for work on specific losses that occur throughout the country, and whose operation is under the command of one or more of the permanent staff employees. The salvage company specialist performs his work wherever and whenever needed and in connection with products and commodities in great variety. He also works with many different personalities and, as a consequence, will often say there's only one thing certain about his job and that's its lack of monotony, and the challenge of tomorrow's, or tonight's assignment.

Class B Cars OK for Extended Medical Payments Coverage

In answer to an inquiry by Greater New York Insurance Brokers Assn., National Bureau of Casualty Underwriters has confirmed that executives, officers or members of a partnership using corporation or firm owned private passenger cars covered for bodily injury liability as well as basic medical under the use of other cars endorsement may request and obtain extended medical payments coverage.

The association reported that prior to this confirmation there had been no clear cut understanding by producers that the extended medical payments coverage was obtainable by corporations or partnerships. It was believed

that the extension was limited to privately owned cars.

However, the casualty committee of the association learned that some brokers were obtaining this extension, which was put into use by National Bureau on May 25, merely by asking for it.

Joseph J. Klepper, association president, said the extension was being added by some companies without additional charge where the basic medical was purchased under table B rates, but others refused to grant the extension under any circumstances, pointing out that the *Automobile Casualty Manual* made no provision for it.

William Brewster, manager of automobile division of National Bureau, wrote the brokers association that the subject would be referred to the automobile rating committee of the bureau at its next meeting so that specific reference can be made to it in the manual.

Agent Can Prolong Life of Business by Tax, Legal Planning

Charles W. Tye of Joseph Frogatt & Co., Newark, has written for Security-Connecticut group an article on how to prolong an agency's life, devoted to the legal and tax aspects of agency succession and perpetuation. It appears in the new issue of the company's *Agency Sales Bulletin*.

The article makes a strong case for the importance of planning to get the maximum value for an agency when one of the owners dies or retires. "If your plan," the bulletin says, "has not been changed since the internal revenue act of 1954 went into effect, you may have a serious problem. The changes in estate taxes and income taxes have, in all probability, made your plan far less effective and valuable."

Mr. Tye discusses the problem from the points of view of sole proprietorships, partnerships, and closely held corporations, in all of which there are special legal and tax problems. In the section on sole proprietorships he says, "The tangible or physical value of an insurance agency is minor. In most cases it consists only of office equipment. The real value lies in the renewals, the future yield of commissions. Under the 1954 internal revenue act renewals have been interpreted to be good will. In the absence of a buy-and-sell agreement, either definitely fixing the value of the business, or providing a reasonable formula for fixing that value, any money received for the good will of the business will be taxed as regular income. The heirs of the proprietor of an insurance agency may get from 18% to perhaps 70% of the agency's real value if a legally acceptable buy-and-sell agreement does not show the former owner's intentions with regard to the agency after his death."

He makes numerous suggestions about how such buy-and-sell agree-

ments may be drawn and implemented. In discussing the problem of disposing of a partnership interest in an agency, Mr. Tye points out that there is a conflict of interest so far as taxes are concerned between the surviving partner and the estate of the deceased partner. If the agreement is set up so that the surviving partner pays for the deceased partner's share before income tax, then the estate will pay income tax on what it receives. If, on the other hand, the purchase rule is followed, then the surviving partner must pay the estate's share out of funds left after regular income tax has been paid.

With regard to corporations, there are other complicating factors dealing with how the value of the stock was computed. For example, if the purchase price stated in a buy-and-sell agreement is to hold after the death of one of the stockholders, then that agreement must operate to restrict the sale of the stock both before and after the death of a stockholder.

Numerous pertinent paragraphs of the internal revenue code are quoted and Mr. Tye also cites several cases bearing on the questions he raises in his discussion.

Copies of the bulletin may be obtained free of charge by writing Security-Connecticut group, New Haven, Conn.

Study Lists Most Frequent Causes of Male Disability

Upper respiratory infections—such as influenza, pneumonia, grippe and bronchitis—caused nearly 20% of all disabilities reported among men, according to a study of 500,000 disability claims filed with Mutual Benefit H.A.A.

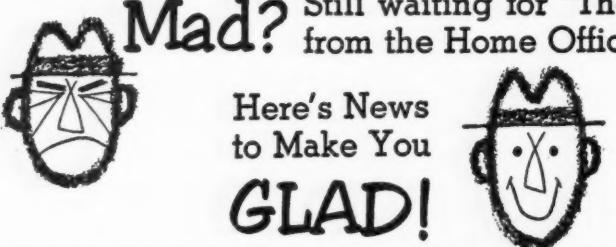
Ulcers and stomach or intestinal trouble ranked next, causing 6½% of all disabilities.

General health reasons were responsible for disabling one of four men covered by the survey. Disorders of the digestive and circulatory systems together caused nearly one-fourth of all cases.

More than one of every eight disabilities resulted from fractures, dislocations or sprains. Ribs were the most frequently fractured bones.

New Handbook Ready for Maryland, Delaware, D.C.

A new, up-to-date Underwriters' Hand-Book of Maryland, Delaware and the District of Columbia has just been published by The National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance in the two states and the District. Copies may be obtained from The National Underwriter Company at 420 East Fourth Street, Cincinnati 2, O., for \$12 each.



Our Branches have Home Office Authority

ON UNDERWRITING AND CLAIMS

Branch Offices in
CHICAGO
DENVER
DES MOINES
GRAND RAPIDS
INDIANAPOLIS
KANSAS CITY
NEW YORK CITY
OMAHA
SIOUX FALLS
SPRINGFIELD, ILL.
WASHINGTON, D.C.

Hawkeye-Security
INSURANCE COMPANY

Industrial
INSURANCE COMPANY
DES MOINES, IOWA

**"I COULDN'T
BELIEVE IT..."**



...when I saw the results at the end of the first month after we started using 'Short-Write' Policies. My girls turned out a lot better work and more of it, and there were many fewer absences! It stands to reason though, having one size policy for all lines, with a really easy to follow fill-in arrangement and no messy carbons to handle—no wonder my girls turn out more work, more cheerfully!"

This same experience can be yours if you use "Short-Write" Policies for Automobile, Liability, Burglary, Plate Glass and other lines you write. May we send you the complete story?

RECORDING & STATISTICAL CORP.

100 Sixth Avenue, New York 13, N.Y.
2815 N. Vermilion Street, Danville, Ill.

"YOUR KEY TO BETTER POLICIES"



RECORDING & STATISTICAL CORP. Dept. N-8
100 Sixth Ave., New York 13, N.Y.

Send me your brochure on the "Short-Write" Policy Plan.

Name _____
Company _____
Address _____
City _____ Zone _____ State _____

A. W. Perkins Assesses A&H Future, Sees Non-Can, Programming as Bright Spots

Many of the problems facing the A&H business in the next few years were assessed by Alfred W. Perkins, vice-president of Union Mutual Life, at a company sales conference in Bretton Woods, N.H.

An especially bright spot in the future is guaranteed renewable business, Mr. Perkins said, terming that coverage the only answer to national criticism of A&H and a natural area for life agents. Slowly but surely companies, all faced with the question of cancellation, are being forced to change their present types of disability policies. Laws have been passed in several states and during the 1955 legislative session 56 bills were introduced in various states relative to cancellation.

In the truly guaranteed renewable line, Mr. Perkins predicted that scheduled type policies will become prevalent. Accepting the idea of disability coverage for protection, more emphasis will be placed on total disability, less on partial, the latter becoming an optional benefit at a price. Waiting periods will become longer for both accident and sickness. There will be fewer exceptions and limitations. The aviation hazard, for example, will be handled by an exclusion rider at the time of underwriting. Due to liberal court decisions there will be a return to the "any gainful occupation" type of disability clause.

Because of the steadily increasing cost of hospital care, Mr. Perkins said he believes there will be continued experimentation with deductibles for this coverage. This, he continued, is the only answer to increasing hospital costs. A road block to this trend, however, is the tremendous amount of "first dollar" business now in force through Blue Cross plans. The public has become accustomed to having coverage that pays for the initial dollar of hospital expense, he commented. He said it is his hope it will be only a matter of time before Blue Cross adopts a deductible.

Mr. Perkins observed that the "swapping dollar era" in hospital insurance may be drawing to a close, to be replaced by an "insurance protection era." Fundamentally, he said this is the type of service all insurers should be granting.

Considering major medical, Mr. Perkins said he does not believe the companies which have pioneered in this field are too happy with results. He averred there is more talk about the coverage than there are sales. A predominant number of sales have been made in the New York City, Chicago, and Los Angeles areas where the cost of medical care is the highest. Companies, consequently, have not obtained a spread and anti-selection has resulted.

Despite this, Mr. Perkins said there will be an increase in the number of companies writing major medical. A basic reason is to keep the government out of insurance. The greater danger to the success of this coverage



is duplication of payments through other insurance. If it is possible for a person to profit through major medical, loss ratios will skyrocket.

Disability programming was described by Mr. Perkins as the beginning of a great new field. He remarked that the public is becoming educated to the need and advantages of disability coverage. The amendments to the social security act, recently passed by the House, eventually in some form will become part of the OASI system. The agent then no longer will be able to dodge the subject of disability programming, it will be a coverage possessed in small degree by nearly everyone.

Because of changes in the tax code, Mr. Perkins said top management now is cognizant of the feasibility of disability coverage on key employees. Under certain conditions it now is possible to deduct premiums as a business expense, something an employer can offer in competing for valuable personnel. He cautioned that only agents who are well established and are thoroughly familiar with all aspects of business insurance should spend time on key-man disability coverage. Many hours are involved in closing a key-man case. In addition, top management will not listen to everyone, meaning the agent must have position and prestige in the business.

Referring to pressure exerted by state insurance departments for rate reductions, Mr. Perkins said it is recognized by the industry that lower levels can be obtained only through a partial sacrifice of agents' commissions. He urged all agent associations to take steps to counteract this movement, and through a public relations program develop the concept of service. Presently, he said, departments are gathering statistics on rates and once correlated he predicted there will be demands for a lower level.

A&H benefits on a monthly premium basis will be common, according to Mr. Perkins. Nearly everyone budgets on a monthly basis today and companies will have to gear their premiums to such a basis. He said he feels it will improve persistency, especially in the higher classifications. Companies will continue to experiment with substandard coverage. For certain conditions an extra premium will be charged in place of attaching an exclusion rider.

Balfour, Guthrie Names Byrne Gascoigne Successor

Charles E. Byrne, Balfour, Guthrie & Co., Ltd., will succeed W. H. Gascoigne as Washington supervisor on Sept. 1, when Mr. Gascoigne retires.

Mr. Byrne joined Balfour in 1953 after serving with North British in San Francisco and as a broker in New York City.

Weghorn Sets Up Agency Award

John C. Weghorn, president of the New York agency that bears his name, has established an annual award of a \$100 savings bond to be given to the student of the school of insurance of Insurance Society of New York who submits the best thesis on ways and means of improving the agency system. The winning paper will be selected by a board of judges.

Sees Broader Coverage Answer to Competition

(CONTINUED FROM PAGE 11)

Another trend fast being established is towards a real valued business interruption form. In many parts of the country, unauthorized insurers are widely offering a non-coinsurance, valued, per diem business interruption which has great appeal to business men because of income tax advantages which might accrue to him in case of a loss. So far as he can determine, the authorized insurers are not presently prepared to offer such a form in any part of the country.

Another form which has been suggested, but not adopted by any insurer yet, is the broad form business interruption policy. This is a named peril form which goes beyond fire and EC perils which was drawn up as a project of the New York CPCU chapter. It uses the type of monthly limitations of liability usually found in the extra expense forms which may be considered a coinsurance device. The suggested rate is 150% of the 80% building fire rate plus EC and V&MM, plus 9 cents for boiler hazards plus a loading for earthquake and all other hazards. This seems to be a form which deserves a lot of study, he said, and perhaps it may be adopted in the near future.

In some states the manufacturers output policy has never been approved because the authorities feel that it unfairly discriminates against the small business man. One must recognize however, that, despite all the objections, it fills the need of the manufacturing risk which can afford it. Much of the discrimination would disappear with the introduction and approval of the block type of policy for the non-manufacturing risk, he believes.

A marketing trend which will gather more and more momentum is that which tends to give special rating treatment of favored risks through special rating bureaus and so called highly protected risk rating plans, Mr. Schlesinger said. The laws have become so wide-open on this question that there is little doubt that these rating schemes can, and will, lead to the actual death of state regulation.

No one can quarrel with the special treatment which can be accorded the jumbo risk, the tremendous manufacturing enterprise on which one can lavish the most elaborate engineering inspection and service, he said. But inspection and engineering are not enough. Inspection in regard to fire insurance is not the same thing as inspection of boilers and elevators. One may also doubt the equity of allowing such rating schemes to be applied to smaller risks. How much engineering service may be rendered on a risk which develops the minimum premium, in many jurisdictions, \$200? How much can inspections cut the loss cost of a class consisting of fire resistive office buildings? In the opinion of many, he said, the present system of allowing eligibility for this special treatment to be determined by other than the state regulatory authorities is just another method of allowing those specialty writers to use whatever rate is necessary to get the business while keeping the rest of the industry in a strait jacket. It isn't fair to allow certain groups to sit back and pick off the risks by the simple expedient of setting special rates to do it. Unless more controls are adopted, Mr. Schlesinger thinks the trend will be away from the past system of manda-

tory rates and toward a scheme whereby everyone will have to have facilities for cutting each other's throats.

He believes agents can meet competition by the use of the broader forms of coverage. For example, according to the advertising which one direct writer company puts out, it does not write dwelling insurance on the special form but offers only fire, EC, AEC, or broad form. This company does not feature personal property floaters, nor any inland marine coverage. It does not offer any of the three homeowners policies. Though it does offer comprehensive personal liability policies at discounts, it does not write the comprehensive dwelling policy. So, all in all, agents can compete with this department store item, he said.

It appears now that installment payment of term premiums is here to stay for a while, he said. It is the beginning of a trend which will eliminate the term rule as it is now known. The term rule demise will be relatively temporary, however, he said, because, after another period of time has elapsed, some company executive with an eye for business and after being prodded by enough of his agents, will again want to offer discounts for term premiums paid in advance.

The use of the installment payment of premiums as a marketing device must not be discounted. It is easily used as a means of selling the broader forms of coverage and additional amounts of insurance. It is easier to sell an insured on the broadest form of protection, without deductibles where possible, by showing him that he gets almost all of the discounts without tying up a lot of capital. This has always been possible by the use of notes to finance the unpaid portion of the term premiums and this statement is not meant to advocate the exclusion of premium notes. In fact, Mr. Schlesinger said, the use of either notes or endorsements makes little difference to insured, but the installment payment of large premiums usually does make a difference.

Hopkins to Tacoma Post

Stanley W. Hopkins, office manager for United Pacific at Seattle for six years, has been promoted to office and personnel manager at the home office in Tacoma. He will be succeeded at Seattle by Kenneth V. Haugan.



**This bird is seen in the
best places**

. . . and the best places are being part of the insurance program of American industry and American homes. You, the agent, can wing your way into these places by utilizing Phoenix of London's expert field service, eye-catching sales aids, and speedy Home Office cooperation. Write us.

Phoenix of London GROUP

55 FIFTH AVENUE • NEW YORK 3, NEW YORK

PHOENIX ASSURANCE CO., Ltd.

COLUMBIA INSURANCE COMPANY

UNITED FIREMEN'S INSURANCE CO.

PHOENIX INDEMNITY COMPANY

LONDON GUARANTEE & ACCIDENT CO., Ltd.

THE UNION MARINE & GENERAL INSURANCE CO., Ltd.

The
NATIONAL MUTUAL
 INSURANCE COMPANY
Celina, Ohio
 Strictly an Agency Company

FOR ACTION THAT BRINGS SATISFACTION

**A Progressive Company
for Aggressive Agents**

**FIRE; INLAND MARINE
ALLIED LINES**

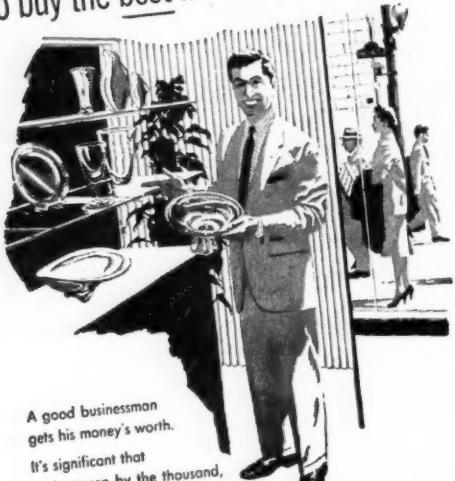
AFFILIATED WITH
**The
CELINA MUTUAL
INSURANCE COMPANY
Celina, Ohio
Automobile and Casualty Lines**

**Selling Tools for Any
Selling Task**
 With sound Protection
at a
Savings to Policyholders

**good business
for you, too!**

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT!

it's good business
to buy the best insurance, too!



A good businessman
gets his money's worth.

It's significant that
businessmen by the thousand,
both large and small, are
insured in The Home Insurance
Company. It pays to buy the
best property insurance—
whether it's on your business
property, your car
or your home.

For quality protection of the
things you own, see your own
agent or broker of The Home
Insurance Company. He, too,
is an independent businessman.
His product is protection—
and he knows his business.

THE HOME Insurance Company

ORGANIZED 1853



Home Office: 59 Maiden Lane, New York 6, N. Y.
FIRE • AUTOMOBILE • MARINE

The Home Insurance Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

The readers
of the magazines
listed below
who reside in
your community
are prime
prospects for
new business.
Many of them
are businessmen
themselves
and can more
readily appreciate
the many obvious
advantages of
being insured
by The Home
Insurance Company.
Your biggest
sales argument
—quality protection—
will weigh heavily
and positively with
any businessman.

This
advertisement appears
in color in:
Time—Sept. 12
Newsweek—Sept. 12
Business Week—Sept. 10
Nation's Business—Sept.
U. S. News & World Report—Sept. 23
Better Homes and Gardens—Oct.
American Home—Oct.
Town Journal—Sept.

1954 Experience on Burglary and Theft

The accompanying tables of burglary and theft experience for 1954 were compiled by the New York department from insurance expense exhibits filed by companies licensed in New York. The figures include countrywide earned premiums and incurred losses.

Incurred losses are based on case estimate reserves and exclude allocated claim expense. Expense ratios include both allocated and unallocated claim expense. The national statistics

are on the net basis after reinsurance. All ratios are based on earned premiums, except commissions and brokerage and taxes and fees, which are based on written premiums. Expenses do not include federal income tax, and net gain shows results before federal income tax.

Total figures include the business of all companies. However, individual company results are not printed for those with a premium volume of less than \$10,000 in a given line.

BURGLARY AND THEFT EXPERIENCE — 1954

COMPANY	Net premiums written (Countrywide)	Net premiums earned (Countrywide)	UNDERWRITING RATIOS (Countrywide)			ANALYSIS OF EXPENSES (Countrywide)				
			Losses incurred "E"	Expenses adjusted	Net gain adjusted	Loss-to-expense ratio "E"		Commission and brokerage "W"	Other administrative expenses "B"	General expenses "E"
						Losses incurred "E"	Expenses adjusted			
Stock Companies										
Eina Casualty and Surety	\$5,161,992	4,970,151	33.3	50.4	16.3	5.9	25.3	6.5	10.1	2.6
First Insurance Group	1,474,447	1,474,447	43.3	51.8	12.5	3.1	26.3	6.5	12.7	2.6
American Casualty	1,620,314	911,903	58.6	21.7	10.1	5.8	17.4	1.3	1.3	1.3
American Automobile	1,365,258	1,271,004	50.6	63.6	-2	7.7	29.0	13.9	3.3	3.7
American Casualty, Reading Group	825,842	753,057	19.2	5.6	8	2.6	29.8	3.7	8.1	2.8
American Employers'	956,097	926,316	37.3	57.5	5.2	7.5	30.2	1.3	13.3	2.2
American Guarantee & Liability	351,621	305,509	36.2	52.2	11.6	5.1	25.8	2.5	10.9	2.6
American Home Assurance	10,250	10,250	23.7	39.5	5.5	5.4	31.4	1.3	1.3	1.1
American Indemnity	192,594	199,491	27.4	12.0	20.6	15.4	9.2	9.5	1.1	1.1
American Surety Group	1,295,660	1,321,600	37.4	61.3	-17	9.7	27.0	0.9	13.6	3.9
Birmingham Fire of Pa.	\$11,694	\$11,573	34.9	47.9	17.2	3.1	27.3	8.3	6.7	2.2
Boston Group	339,218	278,799	54.5	68.9	-23.8	13.1	29.6	12.6	10.9	2.7
Car and General	71,878	98,756	39.2	75.2	-14.4	7.1	27.0	11.5	23.9	3.3
Central Fire & Ins. Corp.	176,667	193,567	30.2	52.2	20.1	7.9	24.9	3.0	1.1	1.1
Columbus Casualty	323,812	302,188	11.7	60.0	-7	7.7	24.0	5.6	21.3	3.7
Commercial of Newark	775,062	792,601	32.5	52.9	3.8	6.2	23.4	6.5	10.6	2.2
Continental Casualty	1,449,300	1,406,469	50.2	52.1	26.8	3.4	26.8	10.3	1.1	1.1
Employers' Fire Association	74,085	82,364	57.7	73.9	-31.6	6.8	34.0	1.7	13.3	2.7
Employers' Liability	1,798,056	1,757,729	32.3	56.6	11.1	6.2	26.7	5.0	13.9	2.8
Federal	1,003,239	905,215	36.7	56.2	7.1	6.5	24.2	9.5	13.6	2.4
Fidelity & Casualty	4,120,632	4,000,064	47.9	50.9	1.8	7.0	23.5	9.3	8.3	2.8
Fidelity & Deposit Group	2,082,696	2,086,215	37.8	60.2	2.0	3.1	21.5	17.2	14.8	2.6
Fire Association Group	20,368	12,583	40.4	61.1	-6.7	6.2	23.8	1.1	1.1	1.1
Fidelity & Fire Group	1,456,243	1,405,274	42.1	58.1	-8	7.0	24.4	14.1	2.8	2.8
Firemen's of Newark	34,447	32,649	18.7	40.8	10.5	1.2	33.2	2.3	2.5	1.8
Founders'	92,953	66,043	41.2	50.1	6.7	8.1	23.1	14.2	3.5	3.2
General America	27,760	30,823	49.2	52.2	28.0	3.4	26.2	6.9	3.6	2.3
General Acc. & L. Assur.	1,257,401	1,291,081	38.7	52.8	8.1	6.8	28.9	4.4	10.3	2.3
General Casualty of Am.	853,376	754,936	46.0	50.2	8.5	5.2	28.3	7.3	10.7	2.4
Glenys Group	1,098,201	1,067,900	39.5	57.8	2.0	8.0	29.3	7.0	11.5	2.1
Great American Fire Group	126,819	117,638	35.9	60.0	-7.9	7.0	26.3	10.7	17.4	2.8
Great American Indemnity	1,073,201	1,011,308	44.9	51.6	7.1	7.5	21.7	9.7	17.7	3.0
Hartford Casualty & Indemnity	52,843	50,618	39.7	49.1	9.9	8.3	23.8	5.1	11.7	2.8
Hawke Security	66,521	62,111	31.9	49.3	18.8	6.3	25.9	4.5	10.0	2.8
Home Indemnity	1,704,103	1,622,111	47.0	55.0	-2.0	7.1	25.8	8.5	13.9	2.7
Indemnity of N. A.	4,179,228	3,970,936	37.4	55.8	6.8	4.5	22.1	12.4	14.5	3.2
Ins. Co. of North America	231,439	191,943	41.3	51.6	7.1	7.5	21.7	9.7	17.7	3.0
London & Lancashire Indemnity	412,580	374,553	35.9	67.5	-1.1	8.3	27.1	10.3	13.2	3.3
Long Guard & Acc.	541,386	509,222	39.4	52.8	3.7	5.0	26.9	10.4	10.4	2.8
Manufacturers' Casualty	500,337	515,772	39.3	62.0	-5	4.0	32.3	7.4	16.0	2.3
Maryland Casualty	3,325,765	3,203,860	37.8	53.7	9.5	5.7	30.5	8.2	8.7	2.8
Massachusetts Bonding	1,041,200	971,800	40.3	51.3	1.4	7.8	27.5	9.5	13.1	2.8
Merchants Indemnity	28,857	33,130	48.9	52.2	20.2	5.3	25.5	8.8	7.0	2.8
Metropolitan Casualty	1,184,321	1,130,012	46.7	48.2	7.1	7.8	23.8	7.8	15.1	3.8
National of Hartford Group	321,309	479,727	52.0	52.0	20.8	7.7	23.0	8.8	12.5	3.3
National Surety Group	3,656,401	3,620,826	48.2	59.7	-5.9	8.0	27.4	11.1	11.8	3.4
National Union Fire	114,106	97,214	34.9	47.8	17.3	3.4	27.2	8.3	8.7	2.2
National Union Fire & Casualty	1,201,201	1,181,201	42.9	52.9	5.6	6.1	27.3	8.2	9.8	2.2
New Hampshire Fire Group	34,347	32,952	39.4	49.1	10.8	3.4	27.0	6.0	10.4	2.8
New Zealand	36,289	30,484	82.7	69.4	-13.1	8.5	27.6	8.5	12.5	3.3
Nord River	44,188	27,827	43.0	66.6	-10.5	6.1	28.7	12.4	16.3	2.8
North Union Group	80,116	57,770	49.0	56.4	2.8	5.3	23.5	13.3	9.0	2.8
Ocean Acc. & Guarantee	668,255	661,584	45.1	62.3	-6.3	8.7	27.3	8.8	16.4	2.8
Other Farmers Indemnity	371,409	329,352	51.6	42.9	5.5	8.2	23.0	4.2	17.1	1.8
Pacific Indemnity	202,499	231,174	48.1	42.7	12.2	1.6	27.5	4.3	10.3	2.8
Providence Casualty	146,408	138,263	46.0	58.8	-2.8	8.5	27.3	10.5	12.8	2.7
Railroad Casualty	35,324	34,574	43.2	52.6	4.6	8.0	19.7	14.3	9.6	2.6
Philadelphia F. & G.	249,224	171,241	39.1	61.4	2.3	7.8	27.3	10.7	14.3	2.6
Phoenix Casualty Group	241,296	258,771	31.6	52.5	15.9	7.3	25.3	3.5	12.0	2.4
Phoenix Indemnity	8,192,031	6,080,085	43.9	54.2	3.7	4.6	23.1	14.9	7.2	2.8
United Pacific	287,166	247,941	44.5	53.8	1.7	12.3	30.3	7.3	13.2	2.8
United States Casualty	621,487	620,920	40.5	53.3	4.2	6.4	28.0	3.0	15.3	2.8
U.S. Fidelity & Guaranty	5,669,053	5,228,783	42.3	50.0	7.7	6.7	23.6	5.1	10.0	2.8
United States Fire	93,128	93,128	68.4	68.4	0.0	1.1	27.0	11.7	12.1	2.3
Western Fire	30,124	29,147	48.4	50.0	1.6	1.1	27.0	13.7	13.7	2.3
Yorkshire of N. Y.	336,330	319,139	38.8	48.6	2.4	6.2	21.0	3.5	8.3	3.8
Zurich General Acc. & Liab.	\$1,045,730	\$1,039,997	42.1	54.4	3.5	6.4	28.0	3.5	12.7	3.8
MUTUAL COMPANIES										
American Lumbermens Mut.	\$1,048,453	\$1,012,533	35.3	48.3	10.1	8.8	18.4	10.2	10.7	2.1
America Mutual Liability	322,541	40.8	41.5	17.7	6.5	6.6	19.3	12.3	12.6	2.6
Central Mutual Group	138,278	114,521	40.6	48.0	15.7	5.5	21.0	9.0	25.0	2.8
Comopolitan Mut. Cas.	135,277	124,284	40.6	42.5	2.7	5.2	27.2	8.6	20.8	2.7
Employers Mutual Liability	\$140,924	135,000	34.6	40.4	6.8	3.1	13.4	9.1	2.2	2.2
Family Protection Ass'n Am.	193,561	171,886	19.7	20.0	53.3	4.8	21.0	12.5	7.3	2.4
Farm Bureau Mut. Automobile	311,374	289,300	30.0	71.5	-11.5	19.8	11.2	15.1	23.0	2.8
Federated Mut. Imp. & Handl										

Three Iowa Boards Elect; New Association at Charles City

Des Moines Assn. of Insurance Agents has elected C. Mac Chambers president to succeed O'Hara W. Hammond. Other new officers are Wayne A. Machaman of Jester & Sons, 1st vice-president; Wayne O. Dailey of Allied Agencies, 2nd vice-president; Ted Flynn, secretary-treasurer, and Merrill Cook of Truckers Associates and William C. Brown, board members.

New officers of Casualty & Fire Insurance Agents Assn. of Dubuque are M. P. Hogan, president; L. Robert Schlueter, vice-president; Lawrence J. Friedman, secretary, and Ted Ellsworth, treasurer.

The newly-formed Charles City Assn. of Insurance Agents elected A. R. Melrose, president; Wayne J. Fluent, vice-president, and Gretchen Atherton, secretary-treasurer. Officers were installed by Robert A. Brown, president of the state association.

Cedar Falls Assn. of Insurance Agents has been formed to replace the Cedar Falls Insurors Assn. James Hansen was elected president, Donald T. Eells Jr., vice-president, and Ransom Bailey, secretary-treasurer.

Insurer Tax Committee Now Has 91 Members

More than 90 fire and casualty companies are members of National Committee for Insurance Taxation, Harry B. Madsen, executive secretary, reports.

The organization, whose aim is to revise the tax structure as between stock and mutual insurers, has had a rapid growth, Mr. Madsen says. The proposal of NCIT is being presented to committees of the National Board and Assn. of Casualty & Surety Companies. It sets up a tax of 1% on net

premiums written, less dividends to policyholders, plus the regular corporate taxes on taxable investment income. If the 1% tax is included in the base of the premium rate by all companies, neither mutuals nor reciprocals would sustain any greater tax than they do at present, according to Mr. Madsen. He said a 12-year study of major stock and mutual fire and casualty companies showed that federal taxes paid by the stock insurers have been twice as much out of each premium dollar than those paid by mutuals or reciprocals. The program of NCIT is to change this without reducing the revenue to the government.

Commercial Standard Gives Education Awards to 22

Commercial Standard of Fort Worth has awarded certificates to 22 home office employees who have just completed an extensive correspondence course in casualty and auto physical damage. Those who received the certificate included field men, underwriters and other employees.

The program was conducted by H. F. Heigel, vice-president. Class average was 95.2%.

Pacific Employers Plans Building at Nashville

Pacific Employers is planning to build a new regional office building at Nashville, Tenn., at a cost of approximately \$150,000. The two story structure, to be located at 1804 Hayes Street, will be air conditioned and will contain 7,000 square feet of space.

Landscaping to preserve the existing magnolia and sycamore trees on the lot and parking space for about 30 automobiles are included in the construction plans.

Passaic Agents' Annual Sept. 8

Passaic County (N.J.) Assn. of Insurance Agents will hold its annual meeting at Passaic Sept. 8.

DIRECTORY OF RESPONSIBLE

A INDEPENDENT ADJUSTERS A

CALIFORNIA

MAXWELL ADJUSTMENT BUREAU
John J. Maxwell
INSURANCE ADJUSTERS
Fire — Auto — Inland Marine
Suite 101, 3757 Wilshire Blvd.
Los Angeles 5 DUnkirk 2-2301

ILLINOIS (Cont.)

J. L. FOSTER & R. K. FOSTER
Insurance Adjusters
First National Bank Building
Springfield, Illinois
Fire Inland Marine Casualty

MISSOURI

St. Louis, Missouri Cape Girardeau, Missouri
JOHN L. GARD AND ASSOCIATES
Insurance Adjusters All Lines
Cotton Belt Bldg.
St. Louis, Missouri Telephone Garfield 1-2464 H. H. Building
Cape Girardeau, Mo. Telephone 5-6695

OHIO (Cont.)

THOMAS D. GEMERCHAK
Insurance Adjustments All Lines
418 Citizens Bldg., Cleveland 14, Ohio
Phones Off. Su. 1-2666 — Res. Fa. 1-9442

ILLINOIS

JAMES J. HERMANN CO.
175 W. Jackson, Chicago
Harrison 7-9381
Aurora, Ill.—Merchants Nat'l.
Bank Bldg., Aurora 6-5126
Waukegan, Ill.—228 N. Genesee St.
Majestic 3-0936
Joliet, Ill.—Morris Bldg.
Joliet 6-2613

LIVINGSTONE ADJUSTMENT SERVICE

619 E. Capitol Ave., Springfield, Illinois
Branch Offices: Decatur — Mattoon —
Mt. Vernon — Belleville — Quincy
Covering Central and Southern Illinois
All Lines of Fire & Casualty

NEVADA

R. L. GRESHAM & CO.
Multiple Line Adjusters
410 E. Carson Ave.
Las Vegas, Nev.
Servicing: Beatty and Pioche, Nevada — St. George and
Cedar City, Utah — Kingman, Arizona — Needles and
Baker, California, and Intermediate Points

Since 1920
E. S. GARD & CO.
Chicagoland Casualty Claims
175 W. Jackson Blvd. WAbash 2-8880-1

JOHN H. HUNT & CO.

330 So. Wells St. Chicago 6, Ill.
Investigators and Adjusters
ALL CASUALTY LINES
Servicing Chicago & vicinity, Waukegan,
III. Gary, Hammond and Northwestern Ind.
Waukegan: 6-8822 Tel. Delta 6-8822
24 Hour Service Night — Cornelius 7-0182
Phone Harrison 7-0153

NEW MEXICO

R. E. Comiskey
Adjustment Company
COMPLETE CLAIM FACILITIES
PROFESSIONAL BUILDING
P. O. Box 205 Phone 3-2735
HOBBES, NEW MEXICO
PIONEER ADJUSTERS, SOUTHEASTERN NEW MEXICO AND WEST TEX.

OKLAHOMA

C. R. WACKENHUTH AND SON
C. R. WACKENHUTH R. C. WACKENHUTH
ADJUSTERS FOR THE COMPANIES
ALL LINES
507 Orpheum Building, Tulsa, Oklahoma
Phones LU 2-5460 GI 7-3850

J. R. McGowan, Pres.

THOMAS T. NORTH, INC.
Adjusters All Lines
Phone HARRISON 7-3230
175 W. Jackson Blvd., Chicago 4

MICHIGAN

MICHIGAN CLAIM SERVICE, INC.
105 Hollister Bldg., Lansing, Michigan
Phone 59475 Branches
Battle Creek Benton Harbor Monroe
Detroit Flint Muskegon Pontiac
Grand Rapids Saginaw
Kalamazoo

OHIO

O. R. BALL, INC.
Fire — Inland Marine
Allied Lines
1544 Hanna Building Cleveland 15, Ohio
Phone Superior 1-7850
Night Phones: ERIeville 1-0887
Florida 1-5095

SCOTT WETZEL CO. UTAH-IDANO
INSURANCE ADJUSTERS

428 So. Main - Salt Lake City, Ut.
Tandy & Wood Bldg. - Idaho Falls, Id.
Sonnenkalb Bldg. - Pocatello, Idaho

26 Truckers Set Up a New Reciprocal

Transport Indemnity Exchange and Transport Underwriters have been organized at Des Moines by 26 trucking firms in 20 cities to write casualty coverage on motor carriers. Reinsurance will be handled by Transport Indemnity of California, and William S. White, who has been with Transport Indemnity, is vice-president and general manager of the new companies, which will have headquarters in the Securities building and branch offices in Chicago, Minneapolis, Omaha, Kansas City and Akron.

John Ruan, head of Ruan Transport Corp. of Des Moines, is president of Transport Underwriters. Harry Werner, Werner Transportation, Minneapolis, is vice-president, and E. W. Harlan, Bruce Motor Freight, Des Moines, secretary-treasurer.

Officers of Transport Indemnity Exchange are John Murphy of Gateway Transportation, La Crosse, Wis., chairman; Daniel Dugan of Dugan Transport, Sioux Falls, vice-chairman, and Birner Baker, Des Moines Transportation, secretary-treasurer.

Transport Indemnity Exchange, a reciprocal, will write BI, PDL, fire, theft, collision, cargo, and workmen's compensation, and will provide a comprehensive contractual liability contract of up to \$5 million for each carrier.

Tex. Agent's License Cancelled

The license of J. M. Hoelscher, who operates Southern Security agency in San Antonio, was cancelled after a hearing by the Texas board of commissioners. Mr. Hoelscher was found guilty of failing to account for and pay premiums promptly to the insurers. He was also charged with accepting applications from unlicensed agents and allowing these agents to participate in commissions.

NAII Brochure Reviews Growth, Contributions

National Assn. of Independent Insurers is distributing a 20-page brochure entitled "The Role Today of the National Association to Independent Insurers."

The brochure traces the history of the NAII from its founding by 40 companies on June 1, 1945 through its development as one of the major insurance trade associations comprising some 300 member companies.

The booklet also reviews the NAII's contribution to public interest, estimates its role in insurance today and forecasts its future responsibilities.

There are pictures and personality sketches of NAII headquarter executives, officers and board members. There is also a list of the member companies as of the date of publication and a graph showing the growth in premiums of member companies from about \$222 million in 1946 to nearly \$1.8 billion in 1954.

Balfour-Guthrie Names Officers to Top Posts

A. T. Saunders has been named president of Balfour-Guthrie Ins. Co. to succeed Arol Davidson, who retired as president and board member.

Vice-president Terence A. Hill has been named to fill the board vacancy.

Eric Y. Whyte was named secretary-treasurer to succeed H. W. Tomlinson, who also retired, and J. B. Larson was named assistant secretary.

Wilke Rejoins United Pacific

Alfred H. Wilke, who has been Seattle manager for Groninger & Co. general agency, has joined United Pacific at Yakima. He started in insurance with United Pacific at Seattle in 1951 and was at Boise in 1954 when he joined Groninger.

Insurance Due for Congressional Attention

(CONTINUED FROM PAGE 7) late the commerce in a manner which would otherwise not be permissible, . . . or exclude state regulation even of matters of peculiarly local concern which nevertheless affect interstate commerce."

Prof. Dowling said that the legal effect of congressional consent, in his view, is to remove the commerce clause as the basis of an objection to state action.

"The commerce clause," he said, "was written into the constitution in order that there might be an end of trade wars among the states. In the hands of the Supreme Court it has been an instrument for the unification of the country, even with a certain centralization of power in Washington; in the hands of Congress, through the device of consent, the same clause can be used as an instrument for decentralization and for letting the states, if they so elect, engage in discriminatory or retaliatory practices."

"Whether public law 15 went too far in that respect may become a matter of concern, depending on what the states do under its authority. On another occasion, congressional consent to state taxation of national bank stock was coupled with the condition that no discrimination be practiced against national banks. When public law 15 was under consideration, questions were raised about a similar provision for the protection of out-of-state insurance companies—but none was included. So long as public law 15 is on the books, the commerce clause is out of the states' way."

"What can now be said, admittedly no more than speculation, about possible legislative developments ahead and the prospect that Congress may have a hand in them?" Prof. Dowling continued. "Even if there were no new and special problems confronting the industry, my guess is that insurance is going to receive further attention in Congress. After all, the business is within the responsibility of Congress, and at least since 1933 Congress has not been noticeably disposed to refrain from action within the field of its responsibility."

"The sheer magnitude of the business, its vast resources, its potential over the economy of the country are calculated to stimulate thinking along national lines. Whether Congress discharges its responsibility by the assertion of full control or by the remission of control to the states, the

decision is nonetheless a determination of congressional policy.

"Public law 15, with all of its generous nod to the states, does not leave everything to them. On the contrary, one provision sounds of national regulation, albeit the notes are not altogether clear. I refer to the provision (which I mention in passing, for I know little about it) that the anti-trust law 'shall be applicable to the business of insurance to the extent that such business is not regulated by state laws.'

"This provision presents a baffling statutory problem; it has to do with a situation the reverse of the familiar one of congressional 'occupancy in the field.' But there is a substantial difference: Congress can occupy the field, or at all events exclude the states, by the mere disclosure, express or implied, of its intention to do, whereas under public law 15 it appears that positive regulation (who can say what kind and how much?) is required of the states if they would avoid application of federal laws."

Mr. Dowling also touched on new and special insurance problems arising out of the possible uses of atomic energy.

Mont. Convention Dates Changed to Sept. 15-17

Montana Assn. of Insurance Agents will hold its convention at Billings, Sept. 15-17, instead of Sept. 11-13 as originally scheduled. The change was made to avoid conflict with the Idaho convention at Sun Valley, Sept. 11-14.

Among the scheduled speakers are Joseph A. Neumann, president of National Assn. of Insurance Agents, and John H. Martin, manager of Standard Forms Bureau at San Francisco.

ICT of Dallas Names Cage Executive Vice-President

James G. Cage has been elected executive vice-president of ICT of Dallas and will direct all phases of the multiple line company.

Mr. Cage began his insurance career as marine department manager of Cravens, Dargan & Co., at Houston in 1939. After serving more than three years in the marine corps, he joined Wm. H. McGee & Co. at New York in 1946. He was later named midwestern manager at Chicago and was promoted to resident vice-president at San Francisco in 1950.

In 1954, Mr. Cage joined Jack Cage & Co., managers of the ICT group.

Corcoran Shifts to S. F.

Manufacturers Casualty has transferred Secretary Frederick L. Corcoran from Philadelphia to the San Francisco home office. Mr. Corcoran joined Manufacturers Casualty in 1949 after having been with National Surety.

Pioneer of Lawyers' Malpractice Insurance

Since July 1, 1945, thousands of policies protecting many of the country's leading lawyers and law firms have been written by this Company. For claim and underwriting know-how based on more than a generation of experience in malpractice insurance, consult.

New Amsterdam
CASUALTY COMPANY

OUR BEST ADVERTISEMENTS

PRESENTING



P. H. Lovell

**THE
PRODUCERS
WE
SERVE**

The motto of the highly active agent from Benton Harbor, Mich., pictured here is, "Don't gamble, insure with P. H. Lovell Company." And when it comes to difficult risks, Mr. Lovell doesn't gamble, he places them through Illinois R. B. Jones.

Mr. Lovell says, "Illinois R. B. Jones, Inc., has been of great assistance to our agency in the handling of our Excess Bodily Injury and Property Damage coverages and also other hard-to-place business. We are pleased with this connection of many years standing."

Illinois R. B. Jones Inc.

175 W. Jackson Blvd., Chicago 4, Ill. • WAbash 2-8544

C. Reid Cloon, President

1401 Peachtree St. N.E., Atlanta, Ga. • Emerson 2584

William E. Lersch, Vice-President

REPRESENTING
Lloyds London



Bergman's Exchange Agency, Inc.

175 W. Jackson Blvd. Chicago 4, Ill. HArrison 7-7232

Proudly Announces
Their Appointment as
Exclusive Underwriting Managers

Exchange Insurance Association

FOR ALL CASUALTY LINES

LICENSED IN 26 STATES

LOS ANGELES, CALIFORNIA
6399 WILSHIRE BLVD.
WEBSTER 3-9275

NEW YORK, N. Y.
62 WILLIAM ST.
DIGBY 4-9590

MIAMI, FLORIDA
245 S.E. FIRST STREET
9-7603

EDITORIAL COMMENT

Local Agencies Have a "Life" Factor Too

In every industry and business small companies are being acquired by larger corporations. Mergers have become commonplace. They are occurring every week and in every business. Insurance is no exception.

This trend, which has become much more pronounced within the last couple of years, is deplored by most of those who understand the value and importance of small business and small companies. There are always some advantages to be gained and economies to be made when a merger occurs, but there is something very much more important involved than advantages or economics.

No business is ever sold that does not reflect the imagination, the foresightedness, the planning, the hard work and perhaps even the genius of the man who founded it. It is always regrettable to see all of this swept away by a mere purchase.

This is preliminary to saying that in our opinion there have been too many sales of local agencies, too many agency consolidations in recent years. Inquiring into this, we have discovered that such sales usually occur because the owner or founder of the agency has made no provision for a successor. It is often the case that a man will establish a local agency at a young age, operate it during all of his active years, and then sell it at the time when he is no longer able to continue as its operating head.

We believe that all such agents owe something more to the insurance busi-

ness and particularly to the agency system than to take out of it all they can get during their productive years and then let it run down in their declining years and finally sell it so that it ceases to be an integer, an entity.

Any local agent who has built up a good business should have more pride than to let the work of a lifetime go in a sale to another agent who may not necessarily profit a great deal by acquiring it.

Every business should have a natural, normal, steady growth. After becoming stabilized, it should tend to become permanent. An agency that has become a part of the business life of the community should remain in existence, continuing to grow and prosper. It can only do so of course if the original owner or the present operator plans for the future, brings in one man or possibly two who can relieve him of considerable detail, and begin to learn the business looking toward the time when the owner may retire, but the agency will not have to retire with him because it can be carried on by the young men who have been trained to take over.

If there is a son, son-in-law, or even a nephew, they are often natural, logical successors, able to cash in most effectively on the original owner's contacts and connections.

Such a program should be the ambition and a definite and important part of the planning of every successful local agent.

Write Legibly, Save Your Company Money

A new organization known as Handwriting Foundation Inc., whose officers happen to be executives of pen manufacturing companies, has taken on the task of rescuing the insurance business from what the foundation regards as a costly form of inefficiency—poor penmanship.

Handwriting Foundation's avowed purpose is to "emphasize the importance of handwriting to business men and employees, with particular regard to the relation of legibility to efficiency and economy." A foundation survey of 1,000 insurance companies of various types comes up with the startling discovery of "extensive losses due to illegible handwriting."

The foundation backs up its statements with a very impressive bunch of statistics and miscellaneous findings: 38% of the insurance company personnel directors participating in the survey said they placed "great value" on legible handwriting in appraising job applicants; 88% said handwriting was

an important factor in hiring new employees; 29% of the companies listed penmanship among criteria for promotions; and 47% blamed faulty handwriting by office staff members and agents as a "significant" area of loss. A Texas company estimated it lost up to \$5,000 a year from illegible handwriting. The biggest complaint, said the foundation, was against agents who filled out forms illegibly. Poorly penned account entries came in for much criticism.

The survey quoted a Hartford insurance executive (name not given) as saying his company had decided to cut premium rates by "as much as 15%" in order to meet competition from outside the insurance business for the consumer's dollar.

"Other insurance companies have been cutting premiums, too, and although the companies have been holding their own, there has been a revived interest everywhere to make up some of the lost revenue by eliminating ex-

penses due to inefficiency," the Handwriting Foundation's report adds.

This rescue mission of the Handwriting Foundation is certainly a move in the right direction, even though we find it a little hard to share the heady excitement that characterizes the foundation's attitude. Perhaps, also, it will be just as well for the foundation if the insurance business doesn't get too excited about improving handwriting. Consider what happens now: a handwritten form or memorandum comes in, the recipient is baffled by its illegibility. He pens a note to the writer asking for clarification. The writer comes back with a more readable version. Obviously, this has involved far more wear on pens or pencils than if the original writer had written legibly in the first place. It is quite conceivable that the sale of pens would nosedive as great masses of improved handwriters got more and more years of wear from their pens.

Perhaps one answer to the admittedly irritating problem of illegible handwriting would be to teach youngsters in school to write and not print. Many children cannot read cursive writing, having been brought up on "manuscript" writing that looks like printing. As soon as they have to do any considerable amount of writing they of course find that printing is an impossible handicap. But in trying to learn cursive writing they are forced to catch as catch can and the result is likely to be far from legible.

making an excellent recovery from an attack of polio suffered July 25. He is expected to leave the Louisville Hospital where he is a patient around Oct. 1.

DEATHS

E. S. HARRIS, 71, state agent of America Fore companies in Alabama died at Birmingham. He had been with the group more than 41 years.

JOHN L. LANDRETH, 80, agent at Mitchell, Ind., died there. He founded the agency in 1913 and operated it until his semi-retirement last February.

J. VERNON WILLIAMS, 77, retired Philadelphia manager of Phoenix of London group, died in an Easton, Md., hospital. He retired 10 years ago and for the past seven had been residing at Hurlock, Md. Mr. Williams entered insurance as claims manager of London Guarantee & Accident at Philadelphia in 1920 and was named branch manager in 1923. In 1936 Phoenix Indemnity was also placed under his management and in 1942 he was named Philadelphia manager of all group companies. He was a former president of Casualty & Surety Managers Assn. of Philadelphia.

EDWARD G. CLANCY, 54, of Clancy agency, Ansonia, Conn., died there. He had served two terms in the Connecticut general assembly and as an alderman in Ansonia.

THEODORE J. G. RIEDLINGER, 92, a Mount Vernon, N. Y., local agent for 52 years before he retired in 1935, died at his home there.

J. J. TYE, 66, of Barboursville, a member of Kentucky Workmen's Compensation Board, died at his home. He was a former county and circuit judge of Knox County and also had served on the state tax commission.

JOHN E. FRIEDEBACK, 38, and his 10-year-old son, Jay M., died of electrocution while swimming in Lake Ontario near Chaumont, N.Y. Mr. Friedeback had been manager of the Associated Mutual's office in Kansas City since July 1954, when he joined the Kemper companies.

ROBERT B. MONTGOMERY, 53, a member of the board of National Capital of Washington, D. C., and vice-president of Acacia Life and son of its president, William Montgomery, died at his Maryland home.

CARLETON A. HARRIS, 59, assistant secretary of the casualty claim division of Travelers, died at his West Hartford home. He joined Travelers in 1921 as an investigator at Albany, N. Y. Three years later he was named

PERSONALS

Richard Jack, son of **Paul E. Jack**, vice-president Vernon companies of Indianapolis, has won a four year scholarship at Wabash College, starting this fall. His brother, William, will complete the cooperative course in business administration at Antioch College next June.

Miss Mary Donlon, former head of New York workmen's compensation board, has been appointed a judge of the U. S. customs court for life.

J. Edward Hedges, professor of insurance at Indiana University, is insurance editor and consultant for the new Webster's dictionary, which has been in preparation for some time. There are about 500 insurance and related terms to be defined and weighed by Dr. Hedges, including many which have come into being or have acquired new significance during the 20 years since the dictionary was last completely revised.

Baylor Landrum, 36, a partner in the Vaughan agency at Louisville, is

OFFICERS:
Howard J. Burridge, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 2140.



OMAHA 2, NEBR.—610 Keeline Blvd., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.

THE NATIONAL UNDERWRITER

EDITORIAL OFFICE:
99 John St., New York 38, N. Y.
Executive Editor: Kenneth O. Force.
Assistant Editors: Edward F. Cox, John B. Lawrence, Jr. and Eloise West.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Main 1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—176 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. R. J. Wiehaus, Resident Manager.

CHICAGO EDITORIAL OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Managing Editor: John C. Burridge.
Associate Editors: Charles C. Clarke and William H. Faltysek.
Assistant Editor: Edmund J. Brophy.
Editorial Assistant: Lorraine Ulrich.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgemuth, News Editor; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—502 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

ADVERTISING OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704.
Advertising Manager: Raymond J. O'Brien.
SUBSCRIPTION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 2140.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103. Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres. J. T. Curtin, Resident Manager.

August 25, 1955

assistant adjuster at Schenectady and in 1926 was appointed an examiner in the compensation claim department at the home office. He became supervising adjuster of the department several months later. In 1941 he was placed in charge of all war risks involving compensation insurance and in 1942 was named supervising examiner of compensation work. He was made assistant manager of the casualty claim division in 1946 and soon afterwards the title was changed to assistant secretary.

OWEN T. HUGHES, manager of the Bronx, N. Y., office of General Adjustment Bureau, died.

A. R. HAUGH, husband of Mrs. Gertrude C. Haugh, for a decade and a half receptionist at the Los Angeles office of the California department died following a brief illness. He is survived by his widow, two sons, and three daughters.

R. FOSTER PIPER, 66, New York State supreme court justice who played a leading role in the passage of legislation to revise the state insurance law in the 1930s, died at a Buffalo hospital. As a member of the state assembly he served as chairman of the standing committee on insurance and of the joint legislative commission for recodification of the insurance law. His major legislation dealt with group health coverage and he was co-author of a bill recodifying insurance laws and providing for nonprofit hospital service and medical indemnity corporations. The bill became law in 1939. In 1940 Justice Piper urged revision of mortality tables used by industrial insurers and when retiring as chairman of the joint legislative commission that year he recommended the passage of a compulsory auto liability insurance law.

R. C. PATTERSON, retired field man of Commercial Union in Alabama and southwest Georgia, died at Columbus, Ga. He was past most loyal gander of Georgia pond and past president of Stock Fire Insurance Field Club of Georgia.

GRIFFITH G. LEVERING, 55, resident vice-president of the Kemper companies, died of a heart attack at his home in Lansdowne, Pa. He had been manager of the Philadelphia office of the companies since 1947. He joined Kemper in 1925 as an assistant in the home office automobile underwriting department and was transferred to Philadelphia in 1926. He earned the CPCU designation in 1951.

HENRY A. PARR JR., 73, chairman of Maury, Donnelly & Parr, Baltimore local agency, died there. In 1904 he, with his brother, the late Ral Parr, founded the agency of Parr & Parr, which later became Maury, Donnelly & Parr.

ALFRED B. LORANZ, 80, founder of State Automobile Association of Des Moines, died at his home following a long illness. He was secretary of the company.

LOUIS D. DOUSMAN, 73, local agent at Billings, died there.

WILLIAM M. GELDERMAN, 83, veteran Chicago agent, died there. He had represented New Amsterdam Casualty since the turn of the century. At one time Mr. Gelderman was one of the country's leading producers of personal A&H.

WILL F. JORDAN, 76, a partner in the Jordan & Warren agency of Paducah, Ky., died.

Fire Losses in July Down 11%; Total for Seven Months Up

Estimated fire losses in the U. S. in July totaled \$61,614,000, a decrease of 11% from July of 1954, according to the National Board. Losses for the first seven months totaled \$531,371,000, an increase of 1.1% over the comparable period in 1954.

Losses for the above period and the two preceding years were:

	1955	1954	1953
January	\$75,265,000	\$86,493,000	\$76,659,000
February	85,046,000	78,928,000	72,706,000
March	86,197,000	84,821,000	83,471,000
April	78,632,000	77,933,000	67,362,000
May	71,789,000	62,282,000	64,239,000
June	70,828,000	65,533,000	67,644,000
July	61,614,000	69,532,000	74,938,000
Totals	\$531,371,000	\$525,522,000	\$507,019,000

Wiseman Elected at Blue Goose Grand Nest

Robert L. Wiseman, independent adjuster at Washington, D. C., was elected Most Loyal Grand Gander at the annual convention of Blue Goose International at Kansas City.

More than 500 ganders, wives and guests attended the five-day session of business and social activities.

Other officers elected were Jules E. Simoneux, general agent at New Orleans, Grand Supervisor of the Flock; R. L. Fenerty, attorney at Calgary, Can., Grand Custodian of the Goslings; Mark A. Wells, publisher of the *Insurance Journal* at Los Angeles, Grand Guardian of the Nest, and Gene Saulcy, state agent for Great American in Michigan, Grand Keeper of the Golden Goose Egg.

Past Most Loyal Grand Gander Alex B. Young recommended that a Blue Goose operations manual be made up, that work simplification be used in correspondence of the order, that information about Grand Nest activities be furnished local ponds and that incoming officers consider changing the "objects" paragraph of the constitution to broaden the application of the order's goals.

The 50th anniversary convention of Blue Goose will be held in Milwaukee in 1956.

Mrs. Resse Heads N. C. Insurance Institute

Mrs. Marcia N. Resse of Marion, N. C., was elected president of the student body of the institute of insurance of University of North Carolina at its annual session at Chapel Hill. She is the first woman president of the institute, which is sponsored by North Carolina Assn. of Insurance Agents.

More than 200 insurance men from all parts of the state attended the institute.

Mary Elizabeth Carr of Farmville and Howard Standberg Jr. of Rocky Mount were awarded certificates for successfully completing all prescribed courses during the four-year curriculum. Faculty members receiving awards were Robert L. Savage of Ra-

leigh, Louis E. Woodbury Jr. of Wilmington, and Horace E. Johnson of Durham. The awards were presented by Ernest Young of Charlotte, past president of the institute and currently chairman of the education committee of NAIA.

Offer Travel Insurance to Charter Bond Taxi Aircraft Operators

Airway Underwriters of Ann Arbor, Mich., is selling a new form of air travel by insurance for air taxi and charter trip passengers under which a single policy is written for each operator covering all of his aircraft on a seat basis. The operator selects the amount of insurance he wishes and it is contemplated that the cost will be passed along to the passengers. Premiums in most cases will be less than those charged for air travel policies

through machines in airline terminals, a \$10,000 coverage on a 150 mile flight in a four-place airplane being about 10 cents per passenger.

Coverage is in Lloyds through Bowes & Co. of Chicago and is exclusive with Airway Underwriters through National Aero Club, a non-profit organization of aircraft owners and operators.

There has been little or no market for this type of insurance in the past, and the lack of it has been an obstacle to the growth of charter and air taxi operations. Premiums to the operators are based according to the number of flying hours, subject to a minimum for the entire fleet.

Surety Golf Match Sept. 2-7

Surety Underwriters Assn. of Chicago will have its annual golf tournament with the Milwaukee association Sept. 27 at Elmhurst, Ill., Country Club. There will also be a buffet luncheon and a steak dinner.

ENTHUSIASM

*The sparkling asset of all
successful insurance agents*

Can you imagine a successful agent *without* enthusiasm? We've never seen one, never expect to. Enthusiasm about his service, his fellowmen, himself and his future — that's the life-blood of every good agent. And we might add that enthusiasm for the companies with which he associates himself is also essential for success.

PAN AMERICAN

Fire & Casualty Company

EARL W. GAMMAGE, PRESIDENT
P. O. BOX 1662



Insurance Company

T. EARNEST GAMMAGE JR., EXEC. V. P.
HOUSTON 1, TEXAS

OSBORN-LANGE-STEVENS, INC.

INSURANCE

Correspondents of

Lloyd's, London

Ask us about Sonic Boom Insurance

Telephone WAbash 2-7620

223 West Jackson Blvd.

Chicago 6, Ill.

1794

1955

INSURANCE COMPANY STATE OF PENNSYLVANIA

PUBLIC LEDGER BLDG., PHILADELPHIA 6, PA.

Offering Special Underwriting Facilities
Countrywide to Agents and Brokers

INTERSTATE FIRE & CASUALTY COMPANY

UNDERWRITING OFFICE • 175 WEST JACKSON BOULEVARD • CHICAGO 4, ILLINOIS

ACCIDENT AND HEALTH

Wis. A&H Agents Elect Potts, Hold Sales Meet

MILWAUKEE—Dale B. Potts, executive vice-president of Wisconsin Casualty Assn., Milwaukee, has been elected president of Wisconsin Assn. of A&H Underwriters at the annual sales congress and convention here. He succeeds Charles H. Gilbert, manager at Madison for Woodmen A.&L., who was named board chairman.

Other officers elected were: A. Loomis, Kneeland-Loomis agency of La Crosse, vice president; Leo E. Packard, Packard-Carson agency of Milwaukee, secretary for his ninth term, and Alfred K. Perego, Perego agency of Milwaukee, treasurer. Gibson Wright, Continental Casualty, Eau Claire, is state director of the International association.

Clifford E. McDonald, agency director International Fidelity, Dallas, recently elected president of the International association, keynoted the meeting. He stressed the training of agents in the art of salesmanship. He pointed out the rapid and extensive development of the business from the old limited contracts to the present ones which provide benefits for all contingencies of physical disability. Experience gained during the progress, he said, has made it possible to cover additional benefits and offer the public almost limitless protection.

Leonard McKinnon of McKinnon & Mooney, Flint, Mich., chairman of the International association, said the ratio of claims paid in A&H compared to other forms of insurance was exceptionally high. A&H coverage, he said, serves living policyholders a number of times during their lifetime with benefits that usually are very urgently needed.

Managing Director William G. Coursey discussed the success in establishing closer relations between local, state and national organizations in the business. He stressed the value of organization, particularly in the A&H business, which is confronted by current legislative proposals, confusion about the federal trade commission, reinsurance and such matters.

Association programs and functions were discussed by Gibson Wright, Continental Casualty, Eau Claire, past-president and international state director. Locals depend upon leaders and should elect capable officers who will follow the ideas and program of the International in their local activities, he said.

"Vitamin I" or belief in yourself, plus "Vitamin One" your mental attitude, are factors that will provide success for the agent in selling insurance, said E. Clement Stone, president of Combined. He said a person can achieve success through the integration of a forceful, dynamic sales personality with a thoughtful, analytic, decisive, human personality.

R. H. Moore, Mutual Benefit Life and insurance instructor at Michigan State University, in a talk on selling disability insurance, included suggestions for programming A&H and life insurance. He stated that a sincere desire to be of real service to people is the basis of a successful insurance career.

"We've Got the Ball" was the title of the address given at the banquet by E. J. Faulkner, president, Woodmen A.&L. He belittled the "socialistic trend of some government agencies toward socialized medicine, welfare plans and other attempts by ambitious politicians." A&H as a whole is now in a commanding position to grow and develop its service and responsibility to the public, he said. He pointed out that in the last 20 years, the growth has been 2,000%, which exceeds that of any other branch of the insurance industry.

Combined Group Shows Record Premium Gain

Premium volume for Combined group in the first half of 1955 totaled \$5,159,152, compared with \$4,209,409 in the same period in 1954, a gain of \$949,793.

Combined issued its semi-annual statement at the sales convention in Chicago, which was attended by more than 800 representatives, managers and their wives.

The company said weekly sales in May surpassed those of any previous week in company history. Awards totaling \$45,000 were presented to salesmen and managers for making May a record month.

The statement showed the following premium volume by companies:

Combined of Chicago \$3,834,090 in the first half of 1955 compared with \$3,225,507 in 1954, for a gain of 19%. Hearthstone of Boston, \$773,136 compared with \$540,064 for a gain of 43%.

Combined of Dallas, \$611,946 compared with \$509,985 for a gain of 20%.

First National Casualty of Wisconsin, \$185,693 compared with \$136,248 for a gain of 36%.

Average Time in Hospital Down Slightly in 1954

The average length of time spent in short-term general hospitals by patients in 1954 was reduced to 7.8 days as compared with 7.9 in 1953, according to statistics in administrator's guide issue of *Hospitals Magazine*. The 1954 study shows that U.S. hospitals cared for 20,345,431 patients last year, and on an average day the hospital population was 1,342,508 patients and 45,337 new-born babies. Of the 1,577,916 beds available, 35% were insured-term general and special hospitals, 4.5% in long-term general and special hospitals, 43.8% in mental and allied hospitals, 4.7% in tuberculosis hospitals, 12% in federal hospitals.

Expense per patient pay in non-profit short-term general and special hospitals averaged \$22.78 in 1954 and the average cost per patient stay was approximately \$171.

Akron Blue Cross Rates Up

Commissioner Pryatel of Ohio has awarded higher rates, effective Oct. 1, to Akron Hospital Service, which operates the local Blue Cross program.

In approving the increase, Mr. Pryatel noted that the plan's surplus dropped from \$532,000 last December to \$98,000 on June 30. He suggested the Akron plan consider the advisability of merging with other Ohio non-profit hospital service plans to obtain advantages they offer in combatting spiraling hospital charges.

The increased rates will provide \$1,280,000 in additional revenue yearly to offset \$72,000 in monthly losses at the present rate.

The commissioner also approved a new contract which provides for family coverage at \$6.60 a month with insured paying room charges for the first two days of hospitalization. Present family coverage is \$7.70 a month for 70-day comprehensive in semi-private rooms.

A proposed rate increase for Associated Hospital Service of Youngstown is also being considered by the commissioner.

C. C. Raisbeck Retires

C. C. Raisbeck, general agent for Washington National at Milwaukee, has retired after more than 30 years in insurance.

He began his career with Travelers

and remained with the company until he was appointed general agent for Great Northern Life. He was named general agent at Milwaukee for Washington National when it purchased Great Northern in 1940.

Mr. Raisbeck's business will be taken over by the Stanley Olyniec agency.

Mr. Raisbeck is a past president of Milwaukee Life Managers & General Agents Assn. and Milwaukee A&H Underwriters Assn., and a former director

of Milwaukee Assn. of Life Underwriters and Washington National General Agents Assn.

Rose Joins Bankers L. & C.

Homer Rose is resigning as policy examiner for the Nebraska department to become a public relations man and instructor in A&H insurance for Bankers Life & Casualty at the home office.

NEWS OF FIELD MEN

Field Men to Have Booth at Indiana State Fair

Indiana Fire Underwriters Assn. in cooperation with Farm Underwriters Assn. is sponsoring a booth at the Indiana State Fair Aug. 31 to Sept. 9. James F. Decker, National Fire, is chairman of the committee that is organizing the booth, which will feature the "Standard Protection" seal of the stock fire companies. Members of IFUA will be on hand to act as hosts. Nearly 600,000 Hoosiers are expected at the fair this year.

Great American Promotes 2

Great American has named William J. Cloney assistant manager at San Diego and Richard J. Sears supervisor of agencies in the East Bay area.

Mr. Cloney succeeds Newell R. Powers, who was transferred to the underwriting and service staff at Los Angeles, while Mr. Sears succeeds Myron T. Mercer, who was named assistant superintendent of the automobile department at San Francisco.

Mr. Cloney joined Great American in 1951 at San Francisco, was later transferred to underwriting duties at Los Angeles and was most recently a special agent at San Francisco.

Mr. Sears joined the company at San Francisco and was later named special agent for the East Bay area.

Smith Named in Cal. Field

James R. Smith Jr. has been named special agent in northern California and the north Sacramento Valley territory by American of Newark. His headquarters will be at Chico, Cal. Mr. Smith was in the local agency business and more recently has been in the California field for Phoenix of Hartford.

Lorenz to Ia. Field Post

St. Paul Fire & Marine has named R. F. Lorenz special agent for Iowa with headquarters at Des Moines. He has been at the home office for several years.

Rudolph Heads Agency

John B. Rudolph, in charge of Leedy-Glover, Inc., Birmingham local agency, has been named president of Leedy-Glover-Knox general agency. The general agency does business in Alabama, Georgia and Florida, representing Monarch, Eureka-Security, Pearl and Security National in Alabama and Trinity Universal in all three states for fire and casualty.

Springer in N. M. Field

Long-Cleveland-Hayhurst & Co., managing general agency of Phoenix, has appointed Gene C. Springer special agent in New Mexico where he will be in charge of the office at Albuquerque. Mr. Springer was with Commercial Standard as a casualty underwriter in 1950 and later was with U.S.F.&G. as assistant casualty superintendent and Homer Bray as special agent. For two years he has been in the local agency business.

America Fore Names Ala. State Agent.

G. H. Felgner, special agent of America Fore at Birmingham, Ala., has been named state agent succeeding the late Ed S. Harris. Mr. Felgner joined the group in New York City and has been special agent in Georgia, North and South Carolina and in Alabama since 1925. He will be assisted by Special Agents R. C. Britt and Don Pittman.

Fireman's Fund Has New Field Office in No. Ill.

Fireman's Fund has established a field office in Rockford which will service the northwest Illinois territory. The new headquarters are located in the Empire building, and are under the supervision of Special Agent Howard Durbin, formerly stationed at St. Louis.

Kinghorn Named at Spokane

Kenneth W. Kinghorn has been appointed special agent at Spokane for Phoenix-Connecticut group. He will assist Douglas V. Iler, district manager.

Mr. Kinghorn has been with Phoenix at San Francisco.

Joins Progressive Fire

Samuel P. Thomas, formerly Alabama special agent of Fireman's Fund, has joined Progressive Fire of Atlanta. He will travel in Florida.

Ind. Agents Headquarters Wrong

The story announcing the appointment of E. B. Brown and Donald Lipp as special agents in Indiana for Indiana Ins. Co. in the Aug. 11 issue listed the headquarters of the men incorrectly. Mr. Brown will travel 11 southwestern counties from Evansville while Mr. Lipp has been assigned four northern counties with headquarters at South Bend.

Richmond U. Plans Insurance Institute

The faculty of the annual insurance institute of University of Richmond, Aug. 29-31, sponsored by Virginia Assn. of Insurance Agents, has been chosen. Members are Thomas D. Jones, Warren F. Curtis and Frank S. Cosby, partners in Boswell & Curtis; Kenmore McManes, special agent of North America; Clifford B. Johnson, manager of the casualty department of American Fidelity & Casualty; Charles M. Hart, manager of Fidelity & Deposit, all of Richmond, and John T. Watkins Jr., instructor in the training, sales, research and promotional department of Travelers.

Also A. P. West of North America, Davis T. Ratcliffe, New Amsterdam Casualty, James F. Morano, manager of National Surety at Richmond, William F. Aimone, executive vice-president of State Capital of Raleigh; Ralph A. Ashton, manager of the education department of Maryland Casualty; Thomas J. McKernan, director of education of NAIA, and W. Eugene Ruskin, executive special agent of Hartford Fire at Atlanta.

Eureka Casualty Launches Economy Auto Plan in Ohio

Eureka Casualty of Fire Association group has introduced in Ohio a new plan for writing automobile and comprehensive personal liability coverage. After a series of conferences with representative groups of its agents in Ohio and other states, and in order to provide competitive facilities through the agency system for its producers, Eureka Casualty will provide complete automobile and comprehensive personal liability protection at approximately 20% discount from rates presently charged.

This plan provides for the premium to be paid to the company in advance of policy preparation at the head office. Renewals will be automatically processed and bills for continuing coverage will be sent by the company to the agent so that the customary relationship between insured and agent can be maintained. Though the agent will receive a lesser rate of commission, most of the processing functions customarily performed at high cost to the agency offices will be consolidated and taken over by the company. Either six-month or 12-month policies will be written, and CPL can be added at the same discount applicable to the automobile section.

Officials of the company and agents for whom the plan has been devised believe the facility will provide a competitive tool, help provide more selling time and at the same time maintain the advantages of personal services through the agency system.

Friction Over Union Insurer in Missouri

A proposal that a union-sponsored insurance company be organized in Kansas City has resulted in a division of opinion among labor officials there. Two presidents of union locals have been appointed directors of the proposed company, while other union leaders have said that labor officials ought not to use their office for the purpose of making profits.

The insurer would be called Missouri Union Corp., and the idea is to sell 200,000 shares of preferred stock at \$5 a share to union members. Chairman is BenJack Cage of Dallas, head of ICT Dallas and the originator, through ICT, of the union labor-owned insurance company. The insurer would have its headquarters at St. Louis.

Advertising promotes the company as "the union man's opportunity to get his insurance and financing with a un-

ion label from his own company."

One of the union directors, Willard Wilkinson, president and business representative of Heavy Construction Laborers local 663 of Kansas City, was indicted two years ago on a charge of forcing building contractors to make contributions to charity as a punishment. The state statute of second degree robbery was held insufficient for the offense and the indictment was dropped. Wilkinson also was indicted on a charge of felonious assault and pleaded guilty to a reduced charge of common assault and was fined \$100 on May 12, 1954.

Liquidation Asked for Ins. Co. of South

Commissioner Larson of Florida has filed suit in Leon circuit court at Tallahassee asking appointment of a receiver for and the liquidation of Ins. Co. of the South at Jacksonville. The complaint alleges that the company's capital is impaired \$76,844 as against the law's requirement of \$200,000.

Hugh T. Christie, president of the company and former deputy insurance commissioner of Florida for 10 years has been making efforts to sell the company and put it in a sound financial condition. However, Mr. Larson indicated that these efforts have failed.

Mr. Christie had called a special meeting of stockholders of the company for Aug. 26 at Jacksonville to discuss the financial affairs of the company. It had been debarred from writing any business since June by the insurance department, until further reorganization had been effected.

Formed in 1951 as Ins. Co. of America the name later was changed to Ins. Co. of the South. Mr. Christie was elected president early this year, following the change in stock control. He had previously served as executive vice-president of the company.

The company, licensed in Florida only, had earned premiums in 1954 of \$113,000, more than half of it in auto physical damage. It placed its reinsurance principally with Guaranty F&M. of Columbia, S. C., which was closed down in May by the South Carolina insurance department.

Ala. Qualification Law Gains Strength

The Alabama agents' qualification bill has been revised to include a grandfather clause, exempting those already licensed. It is expected to pass both the house and senate next session. The bill will be amended to exclude, specifically, automobile dealers, life, A&H, and title insurance agents.

Alabama Automobile Dealers Assn. had bought the bill as originally introduced. It will study the proposed amendments before deciding its stand on the new bill.

Mass. Brokers Name Robert Wood as New Executive Secretary

Robert H. Wood of Leicester, Mass., has been named executive secretary of Insurance Brokers Assn. of Massachusetts, succeeding Malcolm B. Flanders who resigned. Mr. Wood, who will assume his new post Sept. 1, is presently executive secretary of Master Home Building Assn. of Worcester.

Mr. Wood, 35, attended Boston University before enlisting in the coast guard. After his release from service

he was graduated from Becker College with high honors in accounting. He was then employed by the accounting firm of Tupper & Moore in Worcester, which he left to accept the builders association post.

Employers Casualty Revises Pacific Northwest Setup

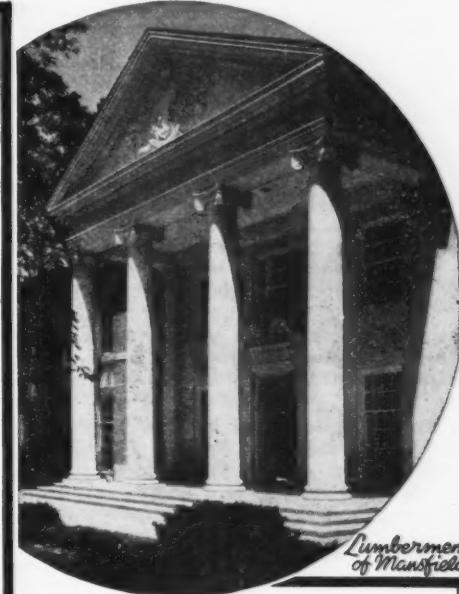
Employers Casualty of Dallas, formerly represented in the northwest by the C. B. DeMille general agency, is establishing two underwriting and service offices at Seattle and Portland to serve the Washington and Oregon fields.

"Good Will-

is a desire on the part of a person or persons to return to the people and their places of business where they have been well treated . . . it has a value"—so decided the Supreme Court many years ago.

The people at Lumbermens, many years ago, had a desire to establish an insurance relationship between policyholders, agents, and company through which each would be adequately protected and all could profit by the transaction.

Thus developed the Good Will now recognized as outstanding in our fields of coverage.



Non-assessable, dividend paying, good will policies and services have been the mainstays of our growth.

We suggest that you join us for your share of the good will—and the profit.

Write today.

Good Will policies across the Nation

LUMBERMENS
Mutual Insurance Company
MANSFIELD, OHIO

A LIFE OPPORTUNITY FOR CASUALTY MEN

If your premium income is off or not increasing fast enough to suit you, write Kansas City Life Insurance Company. We can show you how to build it up quickly. It is an ideal solution now being used by hundreds.

C. W. Arnold,
Superintendent of Agencies

Kansas City Life
Insurance Company

Box 139,
Kansas City 41, Missouri

Fire and Allied Lines

MILLERS NATIONAL
Insurance Company

Since 1865

HOME OFFICE
CHICAGO 6

Eastern Department...
PHILADELPHIA

Pacific Coast Department...
SAN FRANCISCO

Since 1870

ILLINOIS FIRE
Insurance Company

Fire and Allied Lines

S. D. Agents Urged to Keep Pace With Insurance Needs

RAPID CITY, S. D.—Each of the elements contributing to the growth and prosperity of the U. S. has one thing in common to companies and agencies—it carries the mark "to be insured," according to Roy L. Davis, midwest manager of Assn. of Casualty & Surety Companies at Chicago.

He outlined the need for more insurance protection at the convention of South Dakota Assn. of Insurance Agents here.

Property losses and personal injury cost Americans some \$10 billion annually, he said, "but, strange as it may seem, less than 60% of this tremendous loss is covered by casualty, fire and marine insurance."

"Insurance, however, is keeping pace with developments in science and industry," Mr. Davis said. As new enterprises are launched, the insurable hazards are weighed by underwriters and the risks assumed. It is only in this way that commercial enterprises will be free to continue their forward progress. The current outlook would seem to be for continued high production and an expanding insurance market.

Mr. Davis attributed the rapid growth of the insurance business to individual or industrial demands for security against new and more complex hazards. "Yet, in spite of the progress made," he said, "millions of people have no insurance whatever or—carry very inadequate amounts. An unlimited market awaits companies and agents alike.

"Casualty insurance is constantly

meeting new problems of coverage and capacity as industry changes and grows," he said. "The impact of these changes is felt in the increased cost of individual claims, widened range of liabilities and new hazards which require broader coverages, excess limits and higher premiums.

"It is estimated in South Dakota," Mr. Davis said, "that not more than two out of three motorists are protected by insurance against potential risk of bankruptcy from sky-rocketing damage suits.

"It is very much in the public interest to remove reckless and irresponsible drivers from the highways and see to it that victims of negligent drivers are compensated," he said.

He pointed to South Dakota's 1953 driver's permit law which he called "a step in the right direction" toward conformity with the uniform driver's license act adopted in neighboring states.

He praised South Dakota's legislative actions aimed at reducing highway accidents and pointed to the "Slow Down and Live" campaign as a challenge to local agents to do their part in traffic accident prevention.

DISTRICT MANAGER

Stock Fire Insurance Company has opening for experienced man 25-35 to manage Cleveland District office and Northern Ohio field. Excellent opportunity. Unusual and liberal retirement program and other benefits. Address Box G-59, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

EXCELLENT SPACE For Branch Office

Two blocks from Capitol in Lansing, 5000 sq. ft. air conditioned, plenty natural light, second floor corner. This space, with or without ground floor corner 22 x 60. Write Angel Prigooris, 608 W. Ionia Street, Lansing, Michigan.

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

HOME OFFICE POSITION AVAILABLE

A large multiple line mutual insurance company in Minnesota is seeking an experienced Accident and Health Sales Representative. This is a staff position with full responsibility for promoting A & H sales and training field personnel in A & H sales. Prefer a man under 35 who is willing to travel about 50% of the time. Address G-67, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT—OHIO

Rare opportunity for right man to supervise part of Ohio for this fast-growing property insurance company that belongs to its agents. Please contact us, giving your qualifications.

EXCELSIOR INSURANCE COMPANY SYRACUSE 2, NEW YORK

CASUALTY UNDERWRITER

Wanted by growing Iowa Multiple Line Mutual Company. Applicant must be under 35 with three to five years experience underwriting general liability, workmen's compensation and automobile. Must have background and ability to advance to management staff. Address G-72, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

TWO FIELDMEN

One for Central Illinois, one for Louisville, to represent fast-growing, multiple-line stock companies. Prefer man with casualty and fire background but will consider man with just casualty knowledge. Should have field experience in Illinois or Kentucky. Replies confidential. Agency Superintendent, The Buckeye Union Insurance Companies, Columbus 16, Ohio.

AGENCY SUPERVISOR AVAILABLE

Experienced in opening up new states, appointing Managing General Agent and supervising Special Agents in all territories for casualty and fire. Prefer extensive traveling. Reply to Box G-90, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY CLAIM EXAMINER

Good opportunity for law graduate, 25-35, with progressive and growing Iowa Multiple Line Mutual Insurance Company writing casualty lines in 11 states. One or two years field adjusting experience preferred. No traveling. Advancement opportunities. Address Box G-73, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE UNDERWRITER

One of large national multiple line stock insurance companies needs a man with previous fire underwriting experience. Salary commensurate with abilities and experience; liberal benefits; relocate Northern Illinois. Write Box G-70, The National Underwriter Co., stating experience, qualifications and salary desired. Our employees know of this ad.

FOR SALE

General Insurance Agency located in the heart of Michigan's Vacation Land, Michigan's largest inland lake. Population 5,000, seasonal population 40,000. Excellent school system, churches of almost every denomination. Reason for selling poor health. If interested reply to Box G-87, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

Long established Managing General Agency in Denver needs experienced man to manage new casualty department, with excellent future possibilities of growing with firm. Write Box G-85, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., giving experience, age and salary desired.

WANT ADS

WANTED SAFETY ENGINEER-AUDITOR

Multiple-line Stock Agency Company operating in Midwest states has opening for young graduate engineer or engineer with qualifying experience. Auto and expenses while traveling. Excellent employee benefits. Supervised training under experienced personnel. Replies confidential. Address Box G-84, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SALES MANAGER also CASUALTY UNDERWRITER

Two new positions available with substantial Michigan Company, automobile and casualty lines, experienced special agent to manage agency force in expanding operation. Underwriter experienced in casualty lines. These positions offer excellent opportunities. (Inquiry confidential)

Address reply giving age, experience and qualifications to Box G-91, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED TO BUY CASUALTY COMPANY

Party interested in purchasing casualty company. Would prefer company licensed in several states. All replies held in strictest confidence. Address G-80, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIREMAN'S FUND GROUP Southern California Department

Wants experienced Casualty Underwriter. 2 to 5 years experience. Call DU 1-3141, ask for Mr. Lemke or send resume to 3440 Wilshire Blvd., Los Angeles 5, California.

WANTED GENERAL AGENCY CONTRACTS

We can use an additional good stock fire company due to increase volume. Established 15 years in Pittsburgh and Allegheny County, Pa. Highest references furnished. Our Companies know of this ad. Write Box G-92, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY SECRETARY

Promotion opens excellent future in growing Multiple-Line Mutual Co. for man experienced in insurance fieldwork. Interesting and varied job PLUS wonderful living in medium sized N. E. Wisconsin city amid finest year round recreation facilities. Reply immediately to: Box G-83, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE MAN WANTED

Good position with established Chicago office. Knowledge of fire policies and coverages for Commercial Risks essential. For young man studiously inclined. Salary open. Box G-82, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

STATE AGENT — INDIANA

Here's an unusual and challenging opportunity for experienced fieldmen. Fast growing Multiple-Line Mutual Co. has top-flight position for man ready to roll up sleeves and develop Indiana. Immediate rewards. Excellent future. Reply to Box G-81, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FLORIDA LOCAL AGENCY FOR SALE

Stock companies fast growing progressive city 7500 population. Unexcelled potentialities man 30 to 37 years age well versed all lines insurance having pleasing personality & good mixer. Present annual commissions \$12,000.00 not a sacrifice but excellent buy. Address G-86, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.



3025 WEST SIXTEENTH STREET

INDIANAPOLIS 22, INDIANA

IS YOUR MARKET FOR ALL FORM OF LIABILITY, PROPERTY DAMAGE—MATERIAL DAMAGE

Military Personnel

AMUSEMENT RIDES

Financial Responsibility

TRUCKS

"SR²²" and Bonds

Intermediate, Long Haul

Under and Over Age

TAXICABS

L. P. G.

FINANCE LINES

FRONTING CONTRACTS

FIRE & ALLIED LINES—BURGLARY—PUBLIC LIABILITY

SURPLUS AND EXCESS LINES

MID-WEST INSURANCE COMPANY IS THE AGENTS' AND BROKERS' COMPANY

Why delay your inquiry?

A CAPITAL STOCK COMPANY

August 25, 1955

The NATIONAL UNDERWRITER

27

A&H Business is Seen Going Under FTC Rule

(CONTINUED FROM PAGE 1) almost immediate action and on March 9, 1945, the McCarran-Ferguson Act became law. This statute leaves much to be desired from the standpoint of skillful draftsmanship. The first edition of the act and part of the second edition can fairly be interpreted to mean that Congress intended to leave the regulation of insurance entirely in the hands of the various states:

"Be it enacted...that the Congress hereby declares that the continued regulation and taxation by the several states of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several states."

"The business of insurance, and every person engaged therein, shall be subject to the laws of the several states which relate to the regulation or taxation of such business."

If Congress had stopped there, the insurance business could thumb its nose at FTC in the present controversy, he said. However, Congress went a step further:

"Section 2 (b). No act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any state for the purpose of regulating the business of insurance unless such act specifically relates to the business of insurance: Provided, that after Jan. 1, 1948, the act...of Sept. 26, 1941, known as the federal trade commission act, as amended, shall be applicable to the business of insurance to the extent that such business is not regulated by state law."

This section, Mr. Becker pointed out, is the hub of the present jurisdictional controversy. No authoritative interpretation of the applicability of the FTC Act to the insurance business under section 2 (b) of the McCarran-Ferguson Act is available. "To the extent that such business is not regulated by state law" remains a mysterious phrase. Various commentators pointed to this proviso as a future source of prolific litigation. The day of such litigation has now arrived.

The insurance business now contends that it is fully regulated by state law; the commission argues the existence of lacunae in the state law, and alleges that it is stepping into a non-regulated void. The commission further alleges that Congress intended to leave interstate regulation to FTC since the individual states could have no power in this field. A lawyer's common sense must accept this, and the legislative history of the McCarran-Ferguson act supports this conclusion.

Historically there is much to support the commission's position. Prior to the SEUA case, the insurance business was almost entirely unregulated. The federal government had maintained a

hands off attitude, and the states had fallen down badly on their regulatory job. In fact, the history of the SEUA case demonstrates rather vividly that the insurance companies were sometimes regulating state insurance commissions rather than being regulated by them, he asserted.

Under expiration of the moratorium of the McCarran-Ferguson act (1945-1948) some improvement was noted in the unfair competition and monopoly aspects of the insurance business. This, however, resulted from increased state action coupled with the threat of prosecution under the Sherman and Clayton Acts. There was no sustained or over-all regulatory activity by any federal agency. The effect of the case and the statute was apparently limited to the classic arena of trade regulation in which the antagonists are free competition vs monopoly and restraint of trade.

Consequently, a somewhat similar situation quietly developed in the A&H business. This hitherto neglected field was just embarking on a course of rapid expansion in the years 1944-1946.

At the time of the SEUA case and the McCarran-Ferguson act, A&H insurance was a lusty adolescent. Given the proper control and discipline, the infant bade fair to become available and responsible member of the community. Given free rein and allowed to grow unchecked, the promising infant would likely turn into a juvenile delinquent. Unhappily, the latter event became a reality. The federal government did not exercise supervisory control over the growing A&H business, and state regulation was largely a theory. State laws did, and still do, exist on the subject at hand, but clearly these state laws have not prevented the various A&H companies from the interstate dissemination of the advertising matter now alleged to be false and misleading by FTC.

Mr. Becker declared that it is difficult to escape the conclusion that the A&H business, as a whole, has been guilty of flagrant abuses in advertising. Any lawyer who is able to read English can readily detect the wide gap between the promises of the advertisements and the promises of the actual insurance contract. If the various states have indeed been regulating A&H advertising, they have demonstrated a curious blindness to the obvious.

Thoughtful insurance men have been, and continue to be, disturbed by this careless approach to advertising in A&H insurance. They have warned that such practices could only lead to trouble for the business at large. The insurance business has been urged to police itself, to clean its house. Failure to do this, many agreed, could only result in housecleaning instigated and conducted by sources outside the industry.

Mr. Becker said the nature of his paper precluded a more thorough discussion of this jurisdictional controversy. But he hoped enough had been said to show that FTC has quite a strong case—stronger perhaps than most insurance counsel suspected. To doubting Thomases, he recommended a very careful reading of Examiner Loren H. Laughlin's recent opinion in Life of America, FTC Docket number 6247, March 28, 1955, interlocutory order overruling motion to dismiss for lack of jurisdiction. Examiner Laughlin has reasoned closely and substantiated his ruling with ample and persuasive authority. He has served a caveat on the A&H business.

If the federal courts sustain the posi-

tion taken by FTC, if it is eventually held that the commission has jurisdiction of this controversy, the insurance business should be taking immediate steps to present its case on the merits in order to effectuate a workable, livable compromise with the commission within federal regulatory law.

He asserted that this is not the time for ostrich tactics—attempts to postpone the day of judgment by prolonged litigation are no answer to the problem. The long continued adverse publicity can only be harmful—particularly to the smaller companies. Regardless of the eventual outcome, now is the time for the insurance business to learn about federal administrative law, now is the time to begin the adjustment to the operation of that system of law.

Mr. Becker pointed out that the basic statute establishing FTC and defining its organization and general powers is the FTC act of Sept. 26, 1914, as amended, March 21, 1938. Pursuant to the authority thus granted certain rules of practice have been promulgated for the day to day operation of the commission. These rules can be easily obtained from the principal office of the commission, Washington 25, D. C. They are published, as formulated, in the *Federal Register* and collected periodically in title 16, code of federal regulations.

He said he "joined the commission in urging you to give serious consideration to the possibility of policing your industry through the medium of rules agreed upon in a trade practice conference. In the last selfish analysis, self-made rules are almost certain to be more pleasant than rules imposed from above."

Martin Isler has joined Superior Underwriters, Seattle general agency, as office manager and accountant.

\$300,000 Insurance Loss in N. J. Fire

Fire which swept through Rogers clothing store at Hackensack, N. J., caused an estimated \$300,000 insurance loss on building and contents, according to General Adjustment Bureau. The fire also damaged other buildings in a half-block conflagration.

Insurance loss on contents of the clothing store will run between \$90,000 and \$100,000 and the building loss will add another \$200,000. The building was destroyed.

Chicago Women Plan Two Social Events

Mrs. Alma Dalmar will be hostess to a luncheon for members of Insurance Distaff Executives Assn. of Chicago, Aug. 27 at her home in Evanston. Proceeds from the party will be used by the Chicago chapter for the 1956 convention of National Assn. of Insurance Women in Chicago. Miss Lenore Stetzer, Glens Falls, is chairman of the luncheon and Miss Julia Prybalski of H. Dalmar & Co. is co-chairman.

Scheduled for Sept. 15 is a picnic to be held on the shore of Lake Michigan. The women's clubs from Rockford, Freeport, Elgin, Racine, Milwaukee, and Madison have been invited to this event, which will include a luncheon, swimming and games. Miss Jane Robinson of W. C. Danne & Co. is chairman.

Sanborn Map Co. Has Converted 300 Volumes

It was erroneously reported in the Aug. 18 issue that Sanborn Map Co. of New York, which has been producing its new reduced size fire maps since 1951, has completed the conversion of 30 of its large bound volumes which cover cities of 35,000 population or more. Actually it has completed the conversion of 300.

REINSURANCE**AMERICAN & FOREIGN MARKETS****GRIFFITHS,****TATE,****LTD.****TREATY****FACULTATIVE****QUOTA SHARE**

T. C. ANDERSON, Vice Pres.

309 W. Jackson Blvd., Chicago 6, Ill.

Teletype CG2785

Multiple Lines**The NEW ZEALAND**
Insurance Company Limited

United States Head Office • Since 1875 • San Francisco

R. B. Masters, U. S. Manager

Service Beyond the Contract

NORTHERN ILLINOIS & COOK COUNTY FIRE AND CASUALTY SPECIAL AGENT—
Age to 45. \$6,500.

HOME OFFICE FIRE INSURANCE EXAMINER—Supervisor underwriting for one-half of country. Must have Home Office or large branch office experience. \$6,500.

A & H ADMINISTRATIVE ASSISTANT—Home Office experience in commercial forms necessary. \$9,500.

Call or Write

ED BOYDEN

CADILLAC EMPLOYMENT AGENCY
220 S. State St. Wabash 2-4800 Chicago, Ill.

Flood Loss Greatest in Region's History

(CONTINUED FROM PAGE 1)
much merchandise was caught in truck terminals.

The Lackawanna railroad, running from Hoboken to Buffalo, suffered the worst damage in its history, the Erie was washed out and the New Haven had freight yards under 15 feet of water at Waterbury. In Torrington, Conn., a huge food storage locker was under water. This looked like a big loss but quick salvage and cleanup is holding it to what looks like \$5,000.

Another insurer has half a million yards of pipe still under water on the premises of a Massachusetts factory. What the damage will be, no one knows. There is quite a bit of farm equipment floater business in force in the areas affected, and some of these losses are expected to produce major size claims. The possible extent of such damage is indicated by the fact that by Aug. 23 adjusters already had processed losses aggregating several millions and had not yet been able to inspect the majority of communities and property affected.

There will be some loss from retail dealer floaters because hundreds of stores were under water. Some communities, like Danbury, Conn., while not terribly affected by the floods resulting from torrential rains, yet had 40 retail stores in which water rose high enough to damage stocks.

One adjuster estimated there would be several thousand floater claims, many of them of very substantial amount. Early estimates of losses to non-financed automobiles are from 3,500 to 5,000. This is not nearly so many as were damaged in Hazel and Carol last year.

General Exchange estimates that it will have about 1,500 automobile losses, for a total loss of between \$500,000 and \$600,000. Probably 400 of these will be cars on dealer lots.

Some of the flood losses will be total though there should be a good deal higher percentage of the damaged cars that are in good enough condition to be repaired than was the case last fall since it was fresh and not salt water that hit them. Adjusters figure that any loss is total when salt water goes higher than the instrument panel. With fresh water, this is not the case. On the other hand there was so much damage in the areas seriously involved that repair and cleanup will be slow because of difficulty in locating and reaching damaged vehicles and there will be a shortage of repair facilities. Garages were among businesses washed out or inundated or both. Thus damage could be extended.

In Connecticut, the effect of floods was savage and widespread. Communities seriously battered are Torrington, Waterbury, Putnam, Litchfield, Winsted, Naugatuck, Ansonia and Seymour. Other areas suffering substantial damage include Avon, Bristol, Collinsville, Thomaston, Washington and Danbury.

With roads washed out and no water for fire fighting, Putnam lost the magnesium plant of Metal Sellers Corp., the Belding Hermanway Silk Mill and a button factory. The printing company and bleachery at Mechanicsville burned out with \$6 million loss. A \$10 million rubber plant at Naugatuck burned after the flood hit it.

Near Poughkeepsie, N. Y., a storage building of U. S. Magnesium Corp.

was inundated by flood waters and blew up.

National Board issued a bulletin calling attention to the possibility of fires, particularly as a result of spontaneous heating of certain chemicals, metal scrap, coal, hay, grains, etc.

Stroudsburg and East Stroudsburg in Pennsylvania were described as virtually wiped out; Scranton was heavily hit along with the Allentown area, and Easton, Hazleton, Reading, Wilkes-Barre and Pottstown were heavily involved.

In New York, Port Jervis, Ellenville and Wurtsboro were hit hard.

In New Jersey, Hackettstown and Trenton were battered and Frenchtown, Riegelsville, Stockton, Phillipsburg, Branchville, Florence and Burlington were hit.

In Massachusetts, Westfield, the Springfield area, Monson, Palmer, Holyoke and Worcester felt the effects and in Rhode Island, Woonsocket, an industrial city, was flooded badly.

The estimate on Hurricane Connie, which preceded Diane up the Atlantic coast, is about \$10 million, divided \$3 million for North Carolina and more than \$1 million each for Pennsylvania, New York, New Jersey and Maryland. General Adjustment Bureau estimated losses at 700 in South Carolina; 16,000 North Carolina; 4,000 Virginia; 10,000 Maryland; 1,000 Delaware; 11,000 Pennsylvania; 30,000 New Jersey; 30,000 New York, and 6,000 Connecticut for a total of 108,700.

Frederick Jones Loses in Attempt to Buy Life Insurer at Columbus

Frederick E. Jones, president of Buckeye Union Group of Columbus, was unsuccessful last week in an attempt to purchase control of Midland Mutual Life of Columbus. Mr. Jones, who is president of Ohio State Life, had obtained approval from directors of Ohio State to offer \$1,000 a share for the 3,000 shares of Midland Mutual stock. He was combatting a Midland management plan to mutualize the company, with Midland to pay its stockholders \$200 a share, the limit it is allowed to pay under the charter.

At a meeting of Midland stockholders Friday, the vote was 1,787 to 525 in favor of mutualization, but the indications are strong that the matter will be taken to court.

Seeks \$20,000 Damages from Stolen Car Owner

The mother of a girl injured in an auto accident five years ago filed suit for \$20,000 damages in the Springfield, Ill., Circuit Court, naming as defendant the owner of a stolen car involved in the accident.

Mrs. Robert Schultz brought the suit on behalf of her daughter, Janet, now six years old, who was injured in 1950 when she was a passenger in a car driven by Eugene Remington. The auto was involved in a collision with an auto owned by Everett Hayden which had been stolen in Danville, Ill., and was being driven by Raymond Mitchell.

Mrs. Schultz seeks damages from Mr. Hayden, charging he was negligent in having left his unlocked car parked on the street with the keys in the ignition switch.

NELSON H. KIMBERLY, 58, vice-president of Michigan Mutual Liability, died. He joined the organization in 1917 as a clerk, and advanced through various posts until he became vice-president of the compensation sales department in 1937, the position he held at time of death.

Don't Borrow Direct Writers' Tools: McKown

(CONTINUED FROM PAGE 1)
with his companies, makes the accounting with both the insured and his companies, just where would these 'simplified procedures' or streamlined merchandising methods offer a saving to those supplying the merchandise, namely the companies?"

Actually, the use of continuous policies would not effect the expense reductions their proponents advertise, Mr. McKown declared. Instead of sending a new policy when the insurance expires it is claimed that by sending a notice of premium due and providing that the policy remain in force so long as the premium is paid, a great amount can be saved both for the companies and the agents. "However," Mr. McKown said, "the officers of more than one large insurance company group have made a study of continuous policies and the conclusions of most of them has been that the saving would be almost entirely in the paper used. Obviously, the possible reduction in expense is not enough reward for a complete upsetting of agency forces and with these groups the project has been abandoned."

If the companies seriously want to cut expenses the operation of some of their branches would bear looking into, Mr. McKown suggested.

"I happen to represent a casualty company in Oklahoma whose total volume in my state was about one-half that of my own agency last year," he related. "We have two principals and three full-time clerks and a girl student on half-time basis. This branch office has 11 full-time people—some of them pretty well paid. Other equally glaring examples can be gleaned from the commissioner's annual reports," Mr. McKown said.

"I further suggest that expenses can be reduced if branch offices cease writing policies for local agents to whom full commissions are paid," Mr. McKown added. "The evil of 'free insurance' is freely admitted and no one defends it as a necessary feature of the agency system. Our companies have historically been entirely too lax in the matter of agency credits. All this costs money that can and should be saved and continuous policies are not needed to accomplish the goal," he said.

Since a continuous policy does not expire, when or where or what is the expiration as it is now known in the industry, Mr. McKown inquired. "If one were asked to state very simply the agent's objection to continuous policies, the answer most certainly would be that they are inconsistent with the doctrine of ownership of expirations and that, if used with sufficient frequency or universally, they would almost certainly destroy the agency system."

The agents' ownership of expirations includes much more than the knowledge or possession of a certain expiration date, Mr. McKown added. It depends, in addition upon a time-tested procedure in the business, the recreating of the insurance transaction when policies expire. Otherwise, there is nothing to own, he said.

Those who argue that all that is needed is an amendment to the agency contract to accommodate the theory of continuous policies and preserve the value of expirations for the agency owner are "very poorly informed" about the nature of agency agreements, Mr. McKown said. One of the fundamentals of the agency contract is that

it is between the agent and the company and is utterly without effect on insured.

The question of direct billing of premiums has been answered by the National Association in tones that cannot be doubted or disputed with an emphatic "No!", Mr. McKown said. But of utmost significance to agents, he said, is that fact that he knows of absolutely no announcement by a company of the introduction of continuous policies and direct billing that was not accompanied with a simultaneous announcement of reduction of commissions.

"In looking at this feature let's start with a \$100 premium reduced to \$85 under the continuous-policy direct-billing principle," Mr. McKown said. "This is the common difference we encounter. At 25% we earn \$25 commission on a \$100 premium. At 15% we would earn \$12.75 commission on an \$85 premium. Thus," Mr. McKown pointed out, "the agent takes a reduction in net premium payable to it from \$75 to \$72.25—a magnificent contribution to the policy buyer of \$2.75, or 3.7% or," he added, "if the reduced premium is \$80 (instead of \$85) then we find the agent taking a reduction from \$25 to \$12—more than 50% while the company's net premium is reduced from \$75 to \$68, a contribution of \$7 net, or 93%. Now, I respectfully inquire—how fat will agents get on this sort of diet?"

If direct billing became the pattern the agents would surrender the right of servicing the customer he has worked hard to put on the company's books and then the loss of expirations would become reality and the local agents of the country would be irreparably ruined, Mr. McKown said.

"I urge all agents everywhere to assert our strikingly different characteristics—characteristics that no direct-writer or over-the-counter sales program can possibly achieve or effectively imitate," Mr. McKown urged. "Instead of adopting the 'simplified procedures' of our competitors which inevitably will stamp us with similarity to them, let's advertise our differences—differences that represent a better product, better sold, better serviced, better understood. Let's exploit these differences with a vengeance. They are saleable," Mr. McKown pointed out, "and they are tested by time. These differences are responsible for building the insurance business to its present impregnable standing in the economy of the country. Let's never sell ourselves short," he said.

Recommends Use of Cross Roads Language

The report in the Aug. 4 issue dealing with the talk on public relations before North Carolina Assn. of Mutual Agents made by W. J. Hynes, secretary of Employers Mutual Casualty, contained one misquote. The article said, "I recommend that agents quit using Courthouse Square language in their letters." The talk said just the opposite and recommended that they use such language.

Mr. Hynes points out that "you and I know this country is made up of small towns and courthouse squares (Truman called them cross road stops) they are the backbone of the country and the insurance industry. Diz Dean and Buddy Latner in the game of the week used the Courthouse Square language of baseball. That is what I had in mind for the agents. Diz and Buddy are public relations agents for baseball with their help to the little league and their ball games. Insurance agents can do the same for the industry."

the com-
fect on
of pre-
the Na-
cannot
an em-
d. But,
ents, he
of abso-
company
us pol-
not ac-
us an-
ommis-

's start
to \$85
direct-
n said.
we en-
ommis-
5% we
on an
eKown
reduc-
e to it
ent con-
of \$2.75,
duced
) then
duction
while
duced
a of \$7
lly in-
on this

pattern
the right
work-
books
would
ents of
y ruin-

to a
character-
direct-
s pro-
ective-
l. "In-
d prod-
which
milarity
rences
better
rviced,
these
ey are
d out,
These
build-
pres-
econ-
er sell

lealing
as be-
lmutal
etary
con-
said,
using
their
posite
such

u and
small
(Tru-
stops)
country
Dean
of the
lan-
I had
uddy
seball
e and
s can

Never underestimate the value of your *Insurance Agent*



Just as you go to a doctor for periodic health check-ups, you should consult with your insurance agent whenever there has been an increase in the value of your home or possessions or an up-grade in your earnings that could increase your liability limits.

Your local agent will give you impartial advice and recommend the proper coverages for you. Not everyone needs the same type of protection. Your needs are individual and the plus advantage of personal attention is yours in the event of a claim.*

*Two-color reprints of this advertisement without Company name are yours for the asking. Write us.

PAWTUCKET MUTUAL INSURANCE COMPANY

25 MAPLE STREET, PAWTUCKET, RHODE ISLAND
Incorporated 1848



they all know the best place in Cleveland

"Hotel Cleveland, sir?"

Whether you arrive by train, plane or car, the friendliest place to stay is Hotel Cleveland, in the heart of the city . . . directly connected with Union Passenger Terminal.

Hotel Cleveland

NO ROOM CHARGE FOR
CHILDREN UNDER 14
WHEN REGISTERED
WITH AN ADULT.



SONNABEND OPERATED HOTELS

Distinguished American Landmarks

CHICAGO: Edgewater Beach Hotel

BOSTON: Hotel Somerset

NEW YORK CITY: Ritz Tower Hotel

CLEVELAND: Hotel Cleveland



On your staff, but not on your payroll

Ready to work for your agency without cost to you . . . a highly trained insurance man with extensive practical experience. That's the Northwestern special agent whose time and efforts are dedicated to the development of more and better business for the agents he serves. His knowledge and ability work for you when you represent Northwestern.

For complete information about representing Northwestern, just contact the department office nearest you.



NORTHWESTERN MUTUAL FIRE ASSOCIATION

HOME OFFICE • SEATTLE • WASHINGTON

WESTERN: Los Angeles Missoula Phoenix Portland Salt Lake City
San Diego San Francisco Spokane Vancouver, Canada
SOUTHERN: Raleigh Dallas EASTERN: Chicago Columbus New York

REINSURANCE

Casualty • Fidelity • Surety

Security Mutual Casualty Company

HOME OFFICE

309 West Jackson Boulevard
Chicago 6, Illinois

NEW YORK OFFICE

259 West 14th Street
New York 11, New York



EASTERN STATES

HENRY D. BEAN
247 Kings Highway
Haddonfield, N. J.

HENRY G. CARPENTER, INC.
Mount Joy, Pa.

HERSHEY & GIBBEL
Lititz, Pa.

LAIRD-HAGEE COMPANY
P. O. Box 142
Harrisburg, Pa.

SWIGART ASSOCIATES, INC.
Huntingdon, Pa.

WESTON & WATSON, INC.
36 Exchange Place
Providence, R. I.

SOUTHEASTERN STATES

JOSEPH Y. GAYLE, INC.
5 South Sixth Street
Richmond, Va.

G. B. HARRILL
West Main Street
Forest City, N. C.

HARRISON ASSOCIATES, INC.
Law Building
Richmond, Va.

KELLEHER & ASSOCIATES, INC.
207 Hawthorne Lane
Charlotte, N. C.

KIBLER GENERAL AGENCY, INC.
205 W. Franklin St.
Richmond, Va.

FRANK R. MacNEILL & SON
1032 S. W. First Street
Miami, Florida

MARSHALL GENERAL AGENCY, INC.
P. O. Box 447
Charlotte 1, N. C.

PERRY MOSES & SON
Sumter, S. C.

U. S. UNDERWRITERS, INC.
931 S. W. First Street
Miami, Florida

W. J. PERRYMAN & CO., INC.
410 North 21st Street
Birmingham, Ala.

JOHN RATTERREE & COMPANY
Greer, S. C.

SOUTHERN UNDERWRITERS AGENCY
275 Buckhead Ave.
Atlanta, Ga.

ZACHARY GENERAL AGENCY
Allen Building
Greenville, S. C.

SERVICE ! Can Be Yours !



Your MUTUAL GENERAL AGENT provides you with home office level decisions locally to speed your service to assureds.



Your MUTUAL GENERAL AGENT gives you capacity to help you place bigger and more varied risks.



Your MUTUAL GENERAL AGENT has close liaison and cooperation with his companies — giving you added advantages.



Your MUTUAL GENERAL AGENT helps you to a satisfactory, profitable and enjoyable business.



Your MUTUAL GENERAL AGENT believes in and upholds the great American Agency System.

*Just contact your nearby
Mutual General Agency
listed on this page*

*Mutual
GENERAL AGENTS
Association*

SOUTHWESTERN STATES

ASSOCIATED AGENCIES, INC.
114 West 10th Street
Kansas City, Mo.

CORBYN AND COMPANY
2920 Classen Boulevard
Oklahoma City, Okla.

DIAL-DAVIS & CO.
826 Wilson Building
Dallas, Texas

BILL HARRIS & CO.
901½ University Drive
Fort Worth, Texas

LEWIS & NORWOOD
406 Exchange Bank
Little Rock, Arkansas

MUTUAL UNDERWRITERS
P. O. Box 14
Fayetteville, Ark.

OKLAHOMA GENERAL AGENCY
402 N. Hudson St.
Oklahoma City, Okla.

THOMAS M. RYAN & CO.
301 East 5th Street
Fort Worth 2, Texas

JOE C. WEST & CO.
6603 Snyder Plaza
Dallas 5, Texas

WHATLEY & WATKINS
3503 Montrose Blvd.
Houston, Texas

CENTRAL, NORTHWESTERN & WESTERN STATES

AMERICAN ALL-RISKS, INC.
52 Market Avenue, N. W.
Grand Rapids 2, Michigan

ARMSTRONG AGENCY
Kalispell, Montana

BARKLEY AGENCY, INC.
P. O. Box 941
Sioux Falls, S. Dakota

BERKEY-GILBERT COMPANY
8255 S. W. 19th Ave.
Portland 19, Oregon

J. B. BRIDSTON COMPANY
20 North 4th Street
Grand Forks, N. Dakota

FRITZ A. FORSETH COMPANY
Forseth Building
Aberdeen, S. Dakota

JOHNSTON INSURANCE AGENCY
P. O. Box 1535
Billings, Montana

MAYNARD V. MILLS CO.
1213 "N" Street
Lincoln, Nebraska

REITAN-LERDAHL & CO.
105 Manona Avenue
Madison 3, Wis.

D. C. ROYER AGENCY
808 Ninth Street
Greeley, Colo.

THOMPSON, KINCAID, HILL & POWERS
1706 Olive Street
St. Louis, Mo.